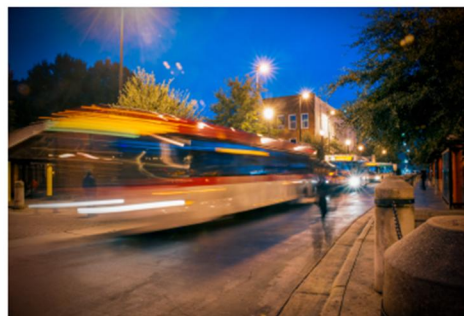




Transit and Affordable Housing in North Carolina



June 20, 2018



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About

This report has been prepared on behalf of the North Carolina Department of Transportation Public Transportation Division by Renaissance Planning with oversight from Whitman, Requardt and Associates, LLP.



INTRODUCTION

Where people live influences their quality of life. Location matters as it relates to an individual's access to jobs, education, grocery stores, doctor's offices, faith-based institutions and other daily activities. For lower income households, access to these important destinations by means other than a car can help keep transportation costs low, thereby reducing the overall cost of living. There is a strong nexus between providing affordable housing¹ options in locations where people have access to destinations by walking and transit. To fulfill North Carolina Department of Transportation (NCDOT)'s mission of connecting all people and places, affordable housing must be included in transit policy discussions at state, regional, and local levels. This white paper identifies policies, actions, and other strategies supporting the development of affordable housing in transit-supported areas and the construction of transit-oriented development (TOD) more generally.

The efficiencies gained by co-locating a mixture of market rate, workforce and low-income housing and affordable transit services can benefit more than individual households. A combination of mixed income housing and a variety of affordable transportation options enhances the attractiveness, resilience, and competitiveness of cities and towns for residents, visitors, and employers. Compact neighborhood design integrating a range of housing types and price points combined with good transit options supports the health of residents, strengthens local economies, and improves the efficiency of public spending. Locating a strong mix of housing closer to transit can increase or stabilize ridership. It can also increase fare box returns (and opportunities for federal funding) which further offsets public subsidies for transit service and provides opportunities for transit service enhancements.

This white paper begins with a scan of the national-level state of the practice for supporting the provision of affordable housing and promoting TOD – as these two factors are critical in better connecting transit services and affordable housing. It identifies key challenges and opportunities affecting communities and states across the country as they seek to integrate public transit, land use, and affordable housing. It also examines housing affordability and TOD practice and planning in North Carolina. This research combined with key stakeholder interviews provides clarity on the issues, opportunities, and challenges faced by the state's major urbanized areas as they work to provide and protect affordable housing within transit supported areas. Eight metro areas (**Error! Reference source not found.**) were investigated to identify their

¹ Defined for the purposes of this report as units constructed and/or operated through state and/or federal property-based subsidies or credits (e.g. Section 9, Section 8, Section 202, LIHTC, etc.)



affordable housing needs (where data was available) as well as to inventory activities, programs, and policies each is using to support affordable housing and TOD.

This paper does not address the convenience or quality of transit services (transit operations) available to low income populations living in affordable housing. Yet it should be noted that service improvements in terms of frequency and hours of service for lines serving affordable housing locations can make a significant impact on people's access to opportunities. Therefore, transit service considerations must also be factored into planning efforts that seek to better align the provision of affordable housing and access to transit.

Table 1 Community Profiles

METRO	PROFILE			
	Population ²	Transit Provided or Planned	Housing Affordability Burden	Housing plus Transportation Cost Burden ³
Asheville	87,531	Asheville Redefines Transit (ART) bus service	<ul style="list-style-type: none">• All subsidized and tax credit housing units are currently occupied (nearly 5,000 total units); wait lists are up to 8 years for vacancies.• A family would need an income of \$100,000 to afford a home at the median list price of \$300,000 for the region.• A family would need an income over \$50,000 to	On average, households in the Asheville, NC CBSA ⁵ spend 58% of their income on housing and transportation.

² ACS Demographic and Housing Estimates, 2012-2016 American Community Survey 5-year Estimates

³ The H+T Index, <https://htaindex.cnt.org/>

⁵ Core Based Statistical Area



METRO		PROFILE			
				<p>afford the median rent of \$1,425.</p> <ul style="list-style-type: none"> Only 12% of households earn this income, indicating heightened need/demand for more affordable ownership and rental housing.⁴ 	
Charlotte	808,834	Charlotte Area Transit System (CATS) bus and LYNX Light Rail	<ul style="list-style-type: none"> There is a gap of more than 21,000 units – is housing for very low-income renters, those making 50% or less of area median income (AMI).⁶ There is a gap of 34,000 housing units for all low-income residents in Charlotte.⁷ Expiring subsidies mean a potential loss of nearly 1,000 	On average, households in the Charlotte, NC Core Based Statistical Area (CBSA) spend 52% of their income on housing and transportation.	

⁴ U.S. Department of Housing and Urban Development (HUD) Office of Policy Development and Research, “Comprehensive Housing Market Analysis: Asheville, North Carolina”. June 2016. Accessed at <https://www.huduser.gov/portal/publications/pdf/AshevilleNC-comp-17.pdf>

⁶ The Charlotte Observer. “Charlotte has enough housing for moderate-income people. Low income? That’s different” August 2017. Accessed at <<http://www.charlotteobserver.com/news/business/biz-columns-blogs/development/article169882122.html>>

⁷ The Charlotte Observer “Affordable housing seems like an intractable problem. Can these new strategies help?” September 2017. Accessed at <<http://www.charlotteobserver.com/news/business/biz-columns-blogs/development/article173113096.html>>



METRO		PROFILE			
			affordable units. ⁸		
Chapel Hill	59,005	Chapel Hill Transit (CHT) and GoTriangle bus and shuttle services; planned light rail service	<ul style="list-style-type: none">• A residential market study completed in 2010 estimated that between 2009 to 2014, approximately 1,257 new affordable rental units would be needed to serve the Town's population.• Since 2009, the Town Council has approved development applications for 539 rental units, all designed for households earning greater than 80% of AMI.• Approximately 300 people are on the Chapel Hill's public housing wait list and 1,800 are on the Housing Choice	On average, households in Chapel Hill spend 56% of their income on housing and transportation.	

⁸ "Overview of Affordable Housing Progress and Strategies." City Council Special Meeting on Affordable Housing. August 2017. Accessed at <<http://charlottenc.gov/HNS/Housing/Strategy/Documents/August%2028,%202017%20City%20Council%20Presentation%20-%20Affordable%20Housing.pdf>>



METRO		PROFILE			
				Voucher (HCV) program waitlist. Both programs mainly serve households with incomes of less than 30% of AMI. The HCV waitlist has been closed for over two years, the wait averages four to five years. Approximately 80% of households on the Town's public housing waitlist are in this income range; the average wait is around a year. ⁹	
Durham	251,761	GoDurham, Duke Transit, and GoTriangle bus and shuttle services; planned light rail service	<ul style="list-style-type: none">27,000 low-income households are paying over 30% of their income for housing; of these, 15,000 are paying over 50% of their income for housing. Most of these	On average, households in Durham spend 47% of their income on housing and transportation.	

⁹ "Comprehensive Affordable Housing Analysis for Town of Chapel Hill." April 2017. Accessed at <<http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/affordable-housing-policy/comprehensive-affordable-housing-analysis>>



METRO		PROFILE			
				<p>housing cost-burdened households are renters.</p> <ul style="list-style-type: none">• Of the 12,000 extremely low-income households in Durham, over 70% are severely housing cost-burdened (paying over 50% of their income for housing). For every 100 households earning <30% AMI, there are only 38 rental units affordable to them.• Prices are rising, particularly in central city neighborhoods, because of continuing population growth and a shift in consumer preferences towards living in or near the downtown area; previously affordable neighborhoods	



METRO		PROFILE			
				are experiencing rapid escalation in rent and sales prices. ¹⁰	
Fayetteville	203,670	Fayetteville Area System of Transit (FAST) bus service	<ul style="list-style-type: none">• The Section 8 waiting list is closed, with an approximate 5-year wait.• There are 600 families on the FMHA public housing wait list – over half are waiting for one-bedroom apartments.• There are 4,148 units of affordable housing; 21% are available to those earning less than 30% of AMI.• Rents in Fayetteville tend to be inflated, as many landlords price housing to coincide with the military's basic allowance for housing (which		On average, households in the Fayetteville, NC CBSA spend 57% of their income on housing and transportation.

¹⁰ "City of Durham Affordable Housing Goals, 2016-2021". Authored by Enterprise Community Partners. Accessed at <<http://durhamnc.gov/DocumentCenter/View/12522/Housing-Goals-Report>>



METRO		PROFILE			
				is higher than the actual market value). ¹¹	
Greensboro	282,177	Greensboro Transit Authority (GTA) bus service and Piedmont Area Regional Transit (PART)	<ul style="list-style-type: none">• There are nearly 18,000 extremely low-income renter households in Greensboro, but only about 4,400 units to fit their limited budgets.• 38% of all households in Greensboro pay more than 30% of their income for housing.• 49% of renter households are housing cost-burdened.• From 2009-2014, the number of rental units in the \$1,000 – \$1,249 rent level increased by 137 percent, while units in the \$300-\$349 rent level decreased by 29%.		On average, households in Greensboro spend 54% of their income on housing and transportation.

¹¹ “Consolidated Plan 2015-2020, Housing Market Analysis, Cumberland County,” Community Development Department; https://www.co.cumberland.nc.us/docs/default-source/community-development-documents/housing_market_analysis_cumberland.pdf?sfvrsn=d4cd0229_0



METRO	PROFILE			
			<ul style="list-style-type: none">Unit bedroom size in the current housing stock does not meet the changing trends in population needs. Currently 24% of existing units are studio or one-bedroom apartments while more than 70% of renters are 1 or 2-person households.¹²	
Raleigh	441,326	GoRaleigh, GoTriangle, and NC State University (NCSU) Wolfline Transit bus and shuttle services; GoCary also serves Wake County and portions of Raleigh; Wake Transit Plan future improvements	<ul style="list-style-type: none">Wake County has a 50,000-unit deficit in affordable housing; the county needs to produce 7,500 new housing units each year to accommodate the projected population growth through 2030.Nearly 43,000 of the county's 1 million residents spend more than 50 percent	On average, households in the Raleigh, NC CBSA spend 47% of their income on housing and transportation.

¹² "The Need for and Benefits of Affordable Housing in Greensboro, NC: A Summary of White Papers and Community Data." May 2016. Accessed at <<https://www.greensboro-nc.gov/home/showdocument?id=31184>>



METRO		PROFILE			
				<p>of their income for housing.</p> <ul style="list-style-type: none"> • Average rent for Wake County apartments is nearly 20% higher than the state average.¹³ • More than 8,000 people are on the Raleigh Housing Authority's waiting list for public housing and Section 8 vouchers.¹⁴ 	
Wilmington	113,724	WAVE Transit bus, shuttle, and trolley service	<ul style="list-style-type: none"> • In New Hanover County, including the City of Wilmington, nearly 1/3 of households (32,000), pay more than 30% of their gross income for housing. • Renters are more likely to be cost-burdened, with 46% of renters 	On average, households in the Wilmington, NC CBSA spend 58% of their income on housing and transportation.	

¹³ WRAL.com, "Officials describe Wake County as affordable housing desert, crisis" November 2017. Accessed at <<https://www.wral.com/officials-describe-wake-county-as-affordable-housing-desert-crisis/17114070/>>

¹⁴ The News & Observer, "Here's what you need to know about affordable housing and the race for Raleigh mayor" November 2017. Accessed at <<http://www.newsobserver.com/news/local/counties/wake-county/article182665936.html>>



METRO		PROFILE		
			<p>paying over 30% of gross income for housing.</p> <ul style="list-style-type: none">• Housing cost burden in New Hanover County is the result of rapidly increasing population translating into a growing demand for housing and a lower than average wage compared to the nation, state, and comparable cities.• New Hanover County has a significant gap in housing supply that is considered affordable to those earning at the low, very low, and extremely low-income categories (<80% of AMI).¹⁵	

¹⁵ “Existing Conditions and Recommendations,” Joint City of Wilmington/New Hanover County Workforce and Affordable Housing Ad Hoc Committee. <https://www.wilmingtonnc.gov/home/showdocument?id=5446>



METRO	PROFILE			
Winston-Salem	238,474	Winston Salem Transit Agency (WSTA) bus service and Piedmont Area Regional Transit (PART)	<ul style="list-style-type: none">• Winston-Salem is currently developing an in-depth housing needs assessment.• Preliminary findings indicate a shortage of over 8,400 rental housing units affordable to households earning 30% of AMI and a shortage of over 7,800 rental units affordable to households earning 50% of AMI.• Like many other metros, extremely low-income households are the most cost burdened by housing expenses.¹⁶	On average, households in Winston-Salem spend 56% of their income on housing and transportation.

This paper presents examples of places like those in North Carolina that have successfully implemented programs, policies, or activities supporting affordable housing in transit supported areas and highlights the challenges and opportunities for replicating these approaches in North Carolina. The information and examples gathered as part of

¹⁶ "Housing Study and Needs Assessment, Preliminary Findings on Existing and Projected Housing Conditions: Phase I," Public Engagement Presentation.
<http://www.cityofws.org/Portals/0/pdf/1CBD/Planning/2018/Jan%202018/Housing-Study-Public-Engagement-Presentation-9-28-17.pdf?ver=2018-01-26-142712-090>



this research represent best practices from around the country and across the state. They are meant to inform and inspire planners and decision makers at all levels of government. However, one key point to highlight and to keep in mind while reading is that *most* successful cases of TOD are those with strong, coordinated, and sustained support at every level of government – state, regional, and local. Seventeen of the top 25 transit ridership systems in the United States benefit from TOD support at all levels of government (state, regional, and local). These jurisdictions implement public policies and programs that cultivate transit-friendly environments, instead of making TOD more challenging and costly to build. A full spectrum of incentives is available to stimulate development. Local governments can support TOD through policies, planning efforts, zoning, and financial incentives; transit agencies are using their real estate assets to catalyze development near station locations; and MPOs are designing their own model TOD zoning district templates or design guidelines for localities to adopt. States are emerging as critical funders for TOD-related projects, regional entities such as MPOs are supporting learning and technical assistance opportunities, transit agencies are leveraging their assets to help reduce the costs of development, local governments are the vanguard of policy, planning, and incentives, and non-profit partners are raising awareness and funds to support key elements of successful TOD, such as the provision of affordable housing.¹⁷

From this discussion emerge recommendations for collaboration, for local governments, non-profit partners, the private sector and NCDOT, improving access to affordable housing in the state. This paper also demonstrates the impact of the relationship between TOD and successful transit systems. Each initiative or strategy presented is aligned with a specific challenge or opportunity. This approach will help policy and decision makers better understand and visualize the utility of each recommendation relative to their own local issues. The paper concludes with a discussion of next steps and suggestions for future research.

¹⁷ Lynott, Jana; Zimmerman, Mariia; Happ, Patricia. "Communities Are Embracing Development near Transit: A Snapshot of Transit-Oriented Development Support across the United States." AARP Public Policy Institute, September 2017.



AFFORDABLE HOUSING AND TRANSIT

State of the Practice

Housing and transportation are the two biggest expenses in a typical household budget. These two factors have a push-pull relationship, affected by both location efficiency¹⁸ and the built environment. When transportation costs are factored into accepted measures of household affordability, less than 27 percent of America's neighborhoods can be considered "affordable" (housing expenditures are no more than 30 percent of household income). Statistics like this indicate that housing affordability – including affordable transportation – is an issue for over two-thirds of Americans.

The research conducted to prepare this white paper identified several key drivers that affect the adequate provision of affordable housing in the US, including affordable housing in transit served areas:

- **Limited funding for affordable housing:** Many private developers can't provide below-market rate housing without funding to fill the gap between the cost of construction and the returns on their investment. Levels of funding for federal affordable housing programs (such as the HOME Investment Partnership Program (HOME) and the Community Development Block Grant Program (CDBG)) have never adequately met demand, despite the recent increase in funding in the FY2018 federal spending bill. Additionally, the value of the Low Income Housing Tax Credits (LIHTC) in the secondary market could be reduced in response to the 2017 Tax Reform Act passed by Congress, which reduces the corporate tax rate to 21 percent (from 35). Companies will

The H+T® Index

Typically, housing is considered "affordable" if a household's housing costs are 30% or less than income. This doesn't always take the full picture into account, though. The H+T® Index "provides a more comprehensive understanding of the affordability of place" by including transportation costs to estimate the full burden of expenses on a household with representative income.

When transportation costs are included, household expenses increase dramatically, often to over 50 or 60% of a household's income. This suggests that location efficient, transit-supported places are extremely important when planning affordable housing.

In Raleigh, North Carolina the average housing cost is approximately 24% of household income. But when you add transportation costs, the total burden increases to 44% of household income. In Fayetteville, NC housing costs are, on average, 28% of household income. When transportation costs are included, that figure becomes 55% of household income.

¹⁸ The Center for Neighborhood Technology defines location efficiency as "Compact neighborhoods with walkable streets, access to transit, and a wide variety of stores and services have high location efficiency. They require less time, money, and greenhouse gas emissions for residents to meet their everyday travel requirements."



owe less in taxes and therefore have less of an incentive to purchase tax credits that previously offset their tax burden.

- **Mismatch of developer incentives and markets:** Developers often require incentives to ensure a strong return on investment when they include below-market rate housing in a development. Certain policies have the effect of negating or de-incentivizing the available benefit. For example, many communities offer a density or height bonus in exchange for units of affordable housing. But if there is no market demand for greater density or height in the area where the incentive applies, this will not be an attractive incentive.¹⁹ Another issue is that cities may approve developments to increase density around station areas, at the expense of affordable housing, that developers may not want to provide.
- **Complexity:** Affordable housing development requires patience, capacity and specialized knowledge. Multiple public and private players must work together to navigate a complex web of planning, financing, and construction activities. Gaining public consensus for affordable housing projects particularly prone to NIMBYism often means a longer timeline for development, scaring off potential developers. Successful developers have experience with the specialized funding mechanisms and other incentives needed to make affordable housing a feasible investment.
- **Lack of political will:** The provision of affordable housing is often a highly politicized community issue that many elected officials and city staffers are hesitant to take on. But the nature of our economy suggests affordable housing development will likely not occur in the absence of public intervention. Public intervention or financial support requires consensus and the agreement that affordable housing is a high-priority issue deserving of limited funding. Cultivating the numerous and complex public- and private-player partnerships needed to successfully develop affordable housing requires strong leadership and patience.
- **Housing mismatch:** Shifts in the economy over time and real estate market dynamics have led to a mismatch in the provision of affordable housing in relation to the location of jobs. Mid-century deindustrialization, flight to the suburbs, and relocation of low wage jobs isolated lower income individuals in central cities. More recently, the market pendulum has begun to swing back towards more urban locations, with the effect of gentrifying once affordable neighborhoods in central cities. Many are leaving the cities to seek more affordable housing in the suburbs, but affordable units in suburban environments may be further from jobs, services, transportation and schools.²⁰
- **A blessing or a curse?** Market trends across the country indicate a general preference overall for walkable, transit-accessible neighborhoods. This desirability results in increased pressure within TODs, pitting the need for transit-served affordable housing against the very strong demand for market rate units.

¹⁹ *Governing*. <http://www.governing.com/topics/finance/gov-affordable-housing-tax-credit.html>

²⁰ NPH Consulting LLC: The Need for and Benefits of Affordable Housing in Greensboro NC p. 10



In addition to new housing in transit-oriented developments being brought to market at premium prices, existing housing values and rents often rise quickly, pricing current residents out of the neighborhood unless controls are instituted in advance of rising property values.

While there are barriers to developing TOD and affordable housing, there are also numerous opportunities to meet and overcome these challenges, including:

- **Economic benefits:** Increasingly, Americans have made clear their desire for compact, walkable, transit-accessible neighborhoods. People of all ages want to live near a vibrant mix of retail, entertainment, job opportunities, cultural offering, and a variety of housing options. The growing demand for compact TOD neighborhoods results in increased property values for transit-oriented or transit-supported communities across the board and these increased property values lead to increased tax revenues for cities, often in downtown areas that have long been starved for resources.²¹
- **Equitable TOD:** While rising property values do have a positive economic impact, a rapid rise in rent or housing costs can result in longtime residents being priced out of the neighborhood. Integrating affordable housing (and housing options for all ages) into TOD may help to establish greater equity. When planning for transit and TOD, policies need to be in place prior to dramatic increases in housing costs. Unfortunately, we often fail to account for the economic impacts of TOD soon enough in the project planning process. Denver, Colorado is setting an example by increasing transportation access and investing in affordable housing with the Denver Regional TOD Fund and a new Revolving Affordable Housing Loan Fund.²²
- **Improved financing and development support for developers²³:** Developing affordable housing and TOD is a highly specialized area requiring institutional knowledge and a deep understanding of state and federal requirements as well as complex funding mechanisms. To promote more affordable housing development and more equitable TOD, while lessening the perceived risks associated with this type of development, there is an opportunity to build capacity in local developers. At every phase of the development process there are opportunities to support potential affordable housing developers such as through peer-to-peer learning; technical assistance; parcel acquisition and assemblage support; specialized debt, grant, and/or equity resources; infrastructure financing (loans, grants or district-based); and flexible, long-term debt and equity

²¹ Lynott, Jana; Zimmerman, Mariia; Happ, Patricia. "Communities Are Embracing Development near Transit: A Snapshot of Transit-Oriented Development Support across the United States." AARP Public Policy Institute, September 2017.

²² Mile High Connects. Accessed March 1, 2018, <http://milehighconnects.org/>

²³ Pollack, Melinda; Prater, Brian. "Filling the Financing Gap for Equitable Transit-Oriented Development." Living Cities, Enterprise Community Partners, and the Low Income Investment Fund, April 2013.



instruments that can be used for multiple post-construction purposes (e.g. commercial, residential, and/or office).

- **Create appropriate development incentives that developers want and need²⁴:** Because land near transit stations is growing in demand and rising in cost, the cost of TOD is typically higher than traditional development. Developers need to be compelled to develop affordable housing. The most common ways this is done is through a financial incentive like the LIHTC program or through height and/or density bonuses, allowing developers more developable space in exchange for including affordable housing. One option recently introduced in California would allow developers to build more housing units in high transit areas or within one-half mile of a transit stop. This sounds like a standard density bonus, but this new incentive would calculate the density of the project based on floor area per square feet, rather than units per acre (the standard measurement). It is believed that this more flexible formula will allow developers to construct “naturally affordable” smaller units, accessible to more of the population.²⁵
- **Communicate the benefits of improved transit access:** When development is designed and oriented towards transit, it can make living a car-free or car-lite lifestyle both convenient and attractive. Walkable, transit accessible communities result in lower vehicle miles traveled (VMT), increased transit ridership, and support active living and positive health outcomes. These communities create more efficient patterns of land development which in turn can lower the cost of providing local services, such as police, fire, sanitation, and street maintenance. Locating a strong mix of housing closer to transit can increase or stabilize ridership, increasing revenues (and opportunities for federal funding) diluting the cost of transit service, and allowing transit agencies to provide better service. Communicating these benefits to decision makers through targeted outreach, and by making TOD and affordable housing policy priorities, can “normalize” what many communities might see as non-traditional development. Often the financial benefits alone are enough to convince reluctant adopters. Sustained and open support demonstrates a lasting commitment to new patterns of development.
- **New partnerships and cooperative agreements:** Often, land use decision-making occurs at the local level and requires effective coordination, ensuring development patterns and state transportation investments are well aligned. For transit, this means an integrated land use and transportation planning process, resulting in local development regulations supporting walk, bike and transit access to bus stops and station areas. It also means incorporating affordable housing and TOD into transit service planning. To improve coordination, the

²⁴ Boarnet, Marlon; Bostic, Raphael; Williams, Danielle; Santiago-Bartolomei, Raul; Rodnyansky, Seva; Eisenlohr, Andy. “Can Affordable Housing in Transit-Oriented Development Help Solve California’s Housing Crisis while also Addressing Environmental Goals?” National Center for Sustainable Transportation, April 2017.

²⁵ Foo, Sasha. Accessed February 20, 2018. “Assembly bill would add incentives to build more affordable housing.” <http://www.kusi.com/assembly-bill-would-add-incentives-to-build-more-affordable-housing/>



STATE DOTs SUPPORTING TOD

CalTrans Sustainable Transportation Planning Grant Program:

Up to \$3 million allocated annually from state highway account supporting connections between transportation and community goals; TOD plans are eligible activities and the program gives priority to projects that integrate transportation programs with preservation and environmental activities.

Connecticut DOT: \$15M TOD pre-development and acquisition fund encouraging TOD in communities with station stops along CTFastrak and New Haven-Hartford-Springfield transit corridors. CTDOT received FTA pilot program TOD development planning grant to advance TOD at four new and two relocated stations for commuter rail line.

Florida DOT Framework and Handbook for TOD: Model land use policies and land development codes in support of TOD.

Maryland TOD legislation: Names TOD a transportation “purpose,” making it eligible for financial incentives and staff support.

New Jersey DOT: NJDOT designates transit villages - communities with a transit station and a plan to achieve economic development and revitalization goals; they are exempt from nonresidential development fees.

transit agency should be at the table when key development decisions are made. Infrastructure and other improvements, like providing for safe pedestrian crossings and quality transit passenger amenities, require a specific and complete set of policies and coordination procedures. This can only be accomplished if departments of transportation, transit agencies, local governments, and developers can work together to support transit-friendly land use policies.

State of the State

This section presents a look at affordable housing and TOD in North Carolina. Key challenges and opportunities, discovered through research and interviews with key North Carolina stakeholders in affordable housing and transit-oriented development, are presented and discussed. Interviewees ranged from private and public-sector developers to government staff. Appendix A lists the interviewees and the questions used to guide discussions.

Affordable Housing

Like many other places across the country, North Carolina is facing a critical shortage of affordable housing; the state’s lowest income residents are hit hardest by this affordability crisis. Access to alternative modes of affordable transportation, particularly transit, is critical for these households. And the impact of the affordable housing crisis reaches far into the local economy as families and individuals are forced to spend more on housing and transportation, and less on other goods and services.²⁶

²⁶ Sills, Dr. Stephen J., “What’s driving the affordable housing deficit in Greensboro?” *Yes! Weekly*. October 4, 2016 <http://yesweekly.com/whats-driving-the-affordable-housing-deficit-in-greensboro/>



There are several key issues affecting the adequate provision of affordable housing in North Carolina:

Federal and State Funding

LIHTC, administered by the Internal Revenue Service (IRS) to qualified allocation agencies (like North Carolina Housing Finance Agency), is the single greatest resource for subsidized housing development across the country, and North Carolina is no exception. LIHTC has been particularly important as other federal funding sources have contracted: for example, between 2000 and 2015, CDBG funding for affordable housing development fell by about 50 percent, according to the Center of Budget and Policy Priorities.²⁷

The North Carolina Housing Finance Agency (NCHFA) is the state agency responsible for tax credit allocation, guided by criteria outlined in their annually updated Qualified Allocation Plan (QAP). Applications are reviewed and scored; those with the highest scores receive tax credit awards. The scoring criteria considers distance to amenities like grocery stores and pharmacies. For locations more than one mile from the amenities, access to a transit route with a shelter can be used to achieve the maximum amenity points. One of the QAP's goals is to equitably distribute tax credits throughout the state²⁸. This can result in most of the credits awarded to low-to-moderate density developments with low-cost construction. From a public policy perspective, this approach produces the greatest number of affordable units for a given subsidy, but costlier mixed-use, higher density developments located closer to jobs, transit, and amenities often lose out.

State Level Policy Supporting TOD

Congestion Relief and Intermodal 21st-Century Transportation Fund

(N.C. Gen. Stat. §136-252): Local government entities are eligible to receive grants from the Congestion Relief and Intermodal 21st Century Transportation Fund for public transportation purposes, which include planning and engineering. The applicant must approve a transit plan that includes several criteria, including, among other things, promotion of a pedestrian and bike friendly environment around and connected to transit stations; promotion of mixed-use and transit-oriented developments and other land use tools that encourage multimodal mobility; and promotion of access to public transportation for those who live in areas with a disproportionate number of households below the area median income.

²⁷ Gargan, Henry, "Here's what you need to know about affordable housing and the race for Raleigh mayor," *The News and Observer*, November 4, 2017. <http://www.newsobserver.com/news/local/counties/wake-county/article182665936.html#storylink=cpy>

²⁸ Six points can be earned for access to transit, but they are not in addition to amenities points. The points available for transit allow a project to earn back maximum amenities points, if the distance criteria for amenities is not met. This is intended to "level the playing field" for a project site that is not within the required one mile of amenities but has access to transit. Sites with transit access are not scored higher than sites near amenities.



Local Funding

As mentioned earlier, federal funding is not adequately meeting funding needs. More frequently, local governments have been tasked with filling funding gaps. In North Carolina, many municipalities offer gap funding to support affordable housing developments that would not be realized otherwise. Other governments have turned to general obligation bonds as a source of affordable housing funding.²⁹ Another local funding mechanism is using a portion of property tax revenues for a dedicated affordable housing fund.³⁰ Some local governments have not assessed their housing needs and have trouble prioritizing funding requests. When Charlotte initiated its Housing Trust Fund (HTF) in 2001, it was eager to support affordable housing development and provided all gap funding that was requested. This slowly depleted the HTF and, 17 years later, the balance is running low. With no local funding alternative, the city is considering using scoring criteria to prioritize future funding requests.³¹

Spatial Mismatch

The regional nature of jobs and housing in North Carolina, and the spatial mismatch of affordable housing and the jobs people want and need, is a key challenge. In other words, many people do not live where they work, and vice versa. Large job centers like Charlotte and Wilmington have significant populations commuting *into* the city from surrounding bedroom communities; other population centers have a sizable population commuting *out* of the city to low-wage production jobs (like Fayetteville). One impact of this dynamic is that the tax-base revenue potential at the local level can't meet the regional affordability needs crossing jurisdictional boundaries. Therefore, it is unlikely that local revenue sources

FEDERAL TRANSIT ADMINISTRATION (FTA) JOINT DEVELOPMENT PROJECTS

Joint development is a form of value capture, as a transit agency leverages some of the economic value created by its transit system and uses the funds to help finance expenses. An example is if a transit agency partners with a developer to lease property owned by the transit agency near a transit station to build office space or residential units, thereby raising revenue for the transit system in the process.

Joint development projects involve:

- Integrated development of transit and non-transit improvements, with transit projects physically or functionally related to commercial, residential, or mixed-use development
- Public and private investments that are coordinated between transit agencies and developers to improve land owned by a transit agency or related to a transit improvement
- Mutual benefit and shared cost among all parties involved.

If a project receives financial assistance from FTA, then it is an FTA-assisted joint development.

Joint development projects may utilize financial assistance from FTA through:

- New grant funding through one of FTA's planning or capital grants programs
- Development of property or air rights previously acquired with FTA grant funding

<https://www.transit.dot.gov/JointDevelopment>

²⁹ Charlotte has partially funded their HTF through a biannual bond referendum that also funds transportation investments and neighborhood improvements. Orange County recently passed a \$125 million bond referendum for schools (\$120M) and affordable housing (\$5M). Finally, voters in Asheville approved a \$75 million bond measure for parks (\$17M), affordable housing (\$25M) and transportation (\$32M).

³⁰ This been implemented by municipalities like Durham and Raleigh, and is being considered by Wilmington, Fayetteville, and Charlotte.

³¹ Interview with Pam Wideman, Director of Housing and Neighborhood Services Department, City of Charlotte.



addressing only limited local housing affordability issues will adequately solve the problem. There may be opportunities for taking a regional approach to the issue in terms of identifying needs and pooling funding accordingly.

Costs

Many municipalities report a shortage of available, cost-feasible land to develop affordable housing. The underlying reasons for this shortage range from development regulations—such as Chapel Hill’s Rural Buffer for curtailing sprawl—to simple economics—the supply of land in Asheville cannot meet demand for development. One mechanism for acquiring and holding land for affordable housing development is land banking or land trusts.³² Wilmington and Fayetteville are examining the potential for using municipally-owned (including city, county, and school system) parcels for affordable housing development or redevelopment and Charlotte has twice now used this approach. Costly infrastructure investments are another barrier to development. A private developer is sometimes burdened by the cost of building and/or maintaining utilities such as water, sewer and electricity until the completed project can generate sufficient revenues to yield a return on the investment.

Regulations and Policies

One common way of ensuring the provision of affordable housing is inclusionary zoning, requiring that developers set aside a certain percentage of their development for affordable housing. There is some debate over whether local governments in North Carolina are explicitly granted the statutory authority to mandate inclusionary zoning policies for affordable housing development.³³ Some zoning policies unintentionally increase the cost of

TOWN OF CHAPEL HILL: INCLUSIONARY ZONING ORDINANCE

In 2010, the Town of Chapel Hill enacted an Inclusionary Zoning Ordinance mandating a set aside percentage for affordable housing for new developments that propose five or more units to provide 15% (10% in the Town Center) of the units at prices that are affordable to low- to moderate-income households.

Despite statutory ambiguity, the Town determined that, if the incremental need for affordable housing is not met, and if affordable housing opportunities are displaced, threats to the health, safety, or general welfare of the community would be created.

Chapel Hill’s Inclusionary Zoning Ordinance only affects “for sale” properties. It cannot address rentals because of state laws against rent control.

At least one affordable unit, or at least 50% of the affordable units, must be offered for sale to low-income households at a price that is affordable to households at 65% of the area median income. Any remaining affordable housing units must be for sale at a price that is affordable to households who are at or below 80% of the area median income.

The following alternatives are available, if certain criteria are met:

- Land dedication;
- Dedication of existing units;
- Off-site construction; or
- A payment-in-lieu of housing.

Through this ordinance and a similar predecessor policy, 332 affordable units have been created.

<http://www.townofchapelhill.org/home/showdocument?id=6988>

³² Charlotte, Raleigh, Durham, and Chapel Hill; The City of Durham is also currently coordinating with community partners to assess the viability of a private land banking entity for affordable housing.

³³ Some municipalities, like Chapel Hill, have implemented inclusionary zoning policies under the umbrella of protecting the health, safety, and general welfare of the community and providing an effective means for preserving housing choice and opportunity.



development, further reducing the viability of producing affordable housing. For example, zoning regulations requiring site by site accommodation of parking minimums are one costlier aspect of a development project.

Coordination and Consensus

There is agreement among those interviewed that many of the issues identified could be mitigated by improved coordination, consensus-building and policy alignment. Public opposition and “NIMBY” protests (Not in My Backyard) are often obstacles to developing affordable housing. Elected officials and the public may be unwilling to recognize affordable housing as an issue. But others embrace accessible, affordable housing as a core value and key part of the community’s vision. State, regional and local interventions addressing affordable housing must start with political buy-in and community consensus.

Transit-Oriented Development

Transit friendly land use policies support thriving communities in North Carolina. When development is designed and oriented towards transit, it can make living a car-free or car-lite lifestyle both convenient and attractive. Walkable, transit accessible communities result in lower vehicle miles traveled (VMT), increase transit ridership, support active living and positive health outcomes, and create more efficient patterns of land development which in turn can lower the cost of the providing local services, such as police, fire, sanitation, and street maintenance. Increasingly, employers, developers, and residents are seeking opportunities to locate in areas that are walkable and connected to transit because it improves access to opportunities.³⁴ Creating transit-oriented development (TOD) inclusive of mixed income and affordable housing is a key to creating thriving communities.

Several key issues are critical to TOD in North Carolina:

Federal and State Funding

The Federal Transit Administration (FTA) has piloted a Transit-Oriented Development (TOD) Planning Program grant to incorporate land use planning with transit investments that are currently pursuing or recently received funding from the Capital Investment Grant (CIG) Program. The purpose of the TOD Planning Grant is to leverage existing CIG funds to pursue a variety of strategic goals, including economic development, multimodal accessibility, transit access for pedestrians and bicyclists, assessing infrastructure needs, and transit-oriented mixed-use development.³⁵ Generally, North

³⁴ U.S Department of Housing and Urban Development, Office of Policy Development and Research. Creating Connected Communities: A Guidebook for Improving Transportation Connections for Low- and Moderate-Income Households in Small and Mid-Sized Cities. Prepared by Center for Transit-Oriented Development. Washington, DC (April 2014).

³⁵ <https://www.transit.dot.gov/TODPilot>



Carolina urban areas lack the high-density land uses and high ridership transit systems required to successfully compete for FTA grant funds. To date, only three rapid transit projects in North Carolina have received CIG funding (the LYNX Blue Line Northeast Corridor Extension in Charlotte; the North-South Bus Rapid Transit (BRT) in Chapel Hill; and the Durham-Orange Light Rail (DOLR) Transit in the Orange and Durham Counties). No projects in North Carolina have received a TOD Planning Grant.³⁶

BEST PRACTICES IN TRANSIT-ORIENTED DEVELOPMENT

Denver, Colorado

Denver, Colorado is a leading example for affordable housing and TOD. Denver's success is rooted in the commitment and coordination of multiple stakeholders. The city partners with nonprofit organization Urban Land Conservancy, CDFI Enterprise Community Partners, regional transit agency RTD, and Colorado Housing Finance Authority (CHFA) to guide development of transit-oriented affordable housing. Denver has experienced a rapid growth spurt in the past decade and rapid population growth has far outpaced the rate at which developers can build new developments, including affordable housing. One tool the city uses for locating affordable housing development near light rail transit is their \$15 million Transit-Oriented Development Fund, a revolving loan fund supporting land acquisitions, which is expected to create or preserve 1,000 affordable housing units in the next decade. Additionally, the Denver Regional Transportation District (RTD) adopted a joint development affordable housing policy to guide their agency's joint development agreements. The city also received a MacArthur Foundation grant to inventory subsidized and unsubsidized housing with transit access and to help owners of HUD-assisted properties comply with the city's housing preservation ordinance, requiring them to notify the city at least one year before opting out of their contracts.

<https://www.aarp.org/content/dam/aarp/ppi/2017/09/regional-tod-support.pdf>

³⁶ There is the possibility that these FTA grant programs may have a limited tenure. The current administration's budget proposal phases out the CIG program and eliminates the New Starts program. The FTA has warned communities with projects in the CIG program pipeline - but without construction grant agreements (including both the North-South BRT and DOLR) - should proceed at their own risk, as they may not receive CIG funding for any future developments (<https://www.indyweek.com/news/archives/2017/06/29/durham-orange-light-rail-nears-next-step-in-grant-process-has-no-guarantee-of-federal-funding>). The state's cap on matching grant funds for rail projects at 10 percent of total project cost is an additional consideration for transit funding. This budgeting mechanism was implemented in 2015 and has been reexamined in each subsequent budget year. A cap on state light rail funding, coupled with an anticipated decline in federal funds, has significant implications for DOLR and any future extensions to LYNX Light Rail in Charlotte.



Local Funding

Currently, no local government has budgeted funds for transit-oriented development. Funding for public transportation could include transit-oriented development, but it currently tends to prioritize expanded systems, higher service frequencies, and operations and maintenance. Local governments aim to optimize their investment by distributing public transportation dollars throughout key transit corridors. TOD is typically high-cost and more geographically-concentrated, and therefore less likely to receive budgeted transit funding. Local governments often must seek funding mechanisms outside of the budgeting process. Popular TOD funding mechanisms like Tax Increment Finance (TIF) Districts and Special Assessment Districts (SAD), are rarely implemented in North Carolina due to limitations and complications in statutory authority. Charlotte has established “synthetic” TIF districts serving the same purpose and mechanism as a “true” TIF. For legal reasons, they prefer to differentiate these areas from “true” TIFs. For a SAD to be approved in North Carolina, the majority-owners of the land within the proposed district must vote to approve it. Thus, SADs can be created but are difficult to implement due to a lack of consensus around development priorities. In lieu of the ability to leverage increasing property tax values generated by transit investments, such as through TIF, many municipalities look to sales tax to generate revenue for transit systems. But transit-oriented development is not typically included as an eligible use for these funds. Governments may also use tools like payment-in-lieu-of-fees and land transfers to maximize TOD investment in their community.

BEST PRACTICES IN TRANSIT-ORIENTED DEVELOPMENT

Cleveland, Ohio

Cleveland created the HealthLine BRT in 2004 to connect the University Circle area (including Case Western University and the Cleveland Clinic) – with downtown Cleveland and Cleveland State University. Cleveland’s Department of Economic Development and community development corporation (CDC) partners partnered with anchor institutions like Case Western, Cleveland Clinic and University Hospital to attract development to MidTown, framing the Healthline BRT as the key connection making an unattractive corridor a viable location for businesses. Their strategy was successful and the first major development, MidTown Tech Park, opened in 2011. Unfortunately, affordable housing was not a priority for TOD in the Healthline Corridor. It was often overshadowed by the employment opportunities presented by proximity to key health centers; city economic development priorities are focused on poverty reduction and job creation. Incorporating affordable housing into the MidTown corridor was a contentious issue; the business community advocated for market-rate housing and expressed concern over affordable housing deterring investors, whereas the city supported any investment in the corridor, including affordable housing. Ultimately, two small affordable housing developments were brought to the corridor.

<https://www.aarp.org/livable-communities/getting-around/info-2015/public-transit-walking-bicycling-less-driving.html>



Costs

The cost of assembling land for a transit investment and TOD is substantial. Transit infrastructure investments add value to surrounding land; this can be beneficial in most respects but can also price-out affordable housing options near transit. These costs can be reduced by utilizing public sector land assets adjacent to station areas. And, often, costly infrastructure must be in place prior to development. A private developer is burdened by the cost of maintaining utilities such as water, sewer, and electric until the completed project can generate sufficient revenues to yield a return on the investment. This is amplified in transit corridors, where land costs are already at a premium and additional infrastructure is required to support the transit investment. These costs may be a barrier to private, transit-oriented development. The public sector could play a significant role in mitigating these costs and incentivizing private development and therefore the potential of mixed income TOD through public utility rebates or gap financing. Site control and transparent zoning policies identified early in the development process can mitigate costs by avoiding premium-value land acquisitions and streamlining development timelines.

BEST PRACTICES IN TRANSIT-ORIENTED DEVELOPMENT

Dallas, Texas

Dallas-Fort Worth is served by light rail, commuter rail, and bus operated by the Dallas Area Rapid Transit (DART) system. DART opened its first 11-mile segment of light rail transit (LRT) in 1996. In preparation for this starter line, DART released a Transit-Oriented Development (TOD) Policy in 1989 to guide development of future LRT station areas. This policy focuses on coordinated planning efforts, strategic land acquisitions, and facilitating public-private partnerships, all of which are key foundational elements of successful TOD. Clear policy and development guidance, complemented by a strong development market, attracted significant investment to station areas. A 2004 Transit Cooperative Research Program (TCRP) study found that, in the five years after implementation of the LRT starter line, residential properties close to a LRT station appreciated 39 percent more than those further away and office space appreciated 53 percent more. Flexible funding mechanisms like Tax Increment Finance (TIF) Districts, with the increment distributed across designated sub-districts (to balance investment and improvements), combined with station area design guidelines contribute to successful TOD development.

<https://www.aarp.org/content/dam/aarp/ppi/2017/09/local-tod-support.pdf>



**Regional TOD Cooperation:
GoTriangle, Durham, Orange
Counties; City of Durham, Town of
Chapel Hill**

In 2015, GoTriangle received a \$1.7 million TOD grant from the FTA to support TOD implementation efforts along the Durham-Orange Light Rail project, a light rail line that the agency is developing between Durham and Chapel Hill.

GoTriangle's TOD efforts include educating the community about the benefits of TOD, conducting an economic analysis of the corridor and each station area, developing affordable housing strategies, and creating a joint development policy.

In February 2018, GoTriangle, Triangle J Council of Governments, and Gateway Planning hosted the *Connecting to Opportunity* summit in Durham, exploring opportunities to grow intentionally and equitably around future light rail stations. Speakers came from all over the state and country to discuss how Durham, Chapel Hill, and Orange Counties can start planning today, for a transit-oriented future. Special attention was paid to the issues of affordable housing and equitable development.

<https://orangepolitics.org/2018/02/gotriangle-holds-connecting-opportunity-summit-plan-future-light-rail-stations>

Regulations and Policy

As mentioned, local governments are granted specific statutory authority by the North Carolina General Assembly. NC General Statute § 160A-536 defines the circumstances in which a city council may designate a transit-oriented development district for additional or higher priority provision of city services and/or funding. A transit-oriented development district includes provision of services or facilities within a public transit area, defined as an area within a ¼ mile radius of any passenger stop or station located on a mass transit line. The definition of a mass transit line is “a rail line along which a public transportation service operates, or a busway or guideway dedicated to public transportation service. A busway is not a mass transit line if a majority of its length is also generally open to passenger cars and other private vehicles more than two days a week.” This definition excludes metro areas with bus service lacking dedicated lanes, thus limiting the designation of TOD districts to apply only to metros with existing or future commuter rail, light rail, or BRT (i.e. Charlotte, Durham, Raleigh and Chapel Hill). The following services or facilities are considered “transit-oriented” if they are provided within a public transit area as defined above: any service or facility provided in a downtown area as a downtown revitalization project; passenger-related infrastructure, including stops, stations, and parking facilities; and, any retail, residential or commercial services and facilities. These services and facilities are defined broadly enough to allow flexibility in implementation. However, more North

Carolina urban areas could take advantage of TOD district designation by broadening the definition of “mass transit line” to include transit corridors without dedicated bus lanes.

Municipalities with existing or proposed rapid transit are focusing on developing land use policies and zoning requirements supporting transit investment and encouraging TOD. Charlotte and Mecklenburg County created Joint Development Principles for CATS joint development projects as well as a TOD zoning district. This district is currently being revised as a part of the city's effort to update their Unified Development Ordinance (UDO) to focus on place-types, integrating land use and site design.



Additionally, in 2016 Raleigh adopted an updated UDO that specifically defines TOD areas near proposed rapid transit, to be constructed using city-defined TOD design guidelines. Durham has specified proposed station areas in its future land use maps as compact districts, with the goal of attracting denser, more walkable, mixed-use developments.

Coordination and Consensus

Communities report a lack of coordination between stakeholders and mixed opinion of public transit as key challenges to creating TOD in North Carolina. Effective coordination requires all parties – municipal, regional, transit, private sector, public sector, funders – to engage in the planning and implementation of transit-oriented developments. Although transit projects can have lengthy timelines, stakeholders should plan for TOD and affordable housing concurrently with the initial planning phases of a transit investment.³⁷ Many communities report that they do not have adequate resources to compete with the private market for available land once costs escalate beyond a certain threshold. There is a very short window of time in the initial stages of planning for the public sector to plan TOD before being priced-out. Public opinion is another complicating factor for implementing rapid transit and TOD. Like most publicly funded programs, there are constituencies that want their community to benefit from the added value of the investment, commonly referred to as a YIMBY (Yes in My Back Yard), and others that do not (NIMBY). Competing interests often converge as demographics and mobility needs change within urban areas. Regional entities such as Councils of Government (COG) and Metropolitan Planning Organizations (MPO) are uniquely positioned to address public opposition to transit-related investments and help build consensus around a shared vision.

The Geography of Access

Accessibility is a metric used in transportation and land use planning describing how well a given location provides access to opportunities. Multimodal accessibility looks specifically at how different locations are accessible by different modes of transportation including walking, biking, transit and auto modes. Given the importance of the spatial relationships between where affordable housing is located and how that location enhances or detracts from access to opportunities, this section demonstrates how accessible existing affordable housing units are to existing transit lines. This analysis does not consider the *quality* of service of transit located near affordable housing, and it is important to consider that – from a transit operations perspective – the location of housing and TODs can be effectively incorporated into transit service planning.

³⁷ <http://www.northeastern.edu/dukakiscenter/three-ways-to-put-equity-into-tod/>



Housing

For this analysis, affordable housing was defined as housing supported by federal or state subsidy, such as Section 9, Section 8, Section 202, HOME, or LIHTC funds. This definition was accepted for several reasons: (1) data on subsidized housing is easily available and generally reliable³⁸; (2) units subsidized by federal funds carry restrictions ensuring they remain affordable for a specified number of years, protecting these units from market fluctuations; and (3) property-based subsidies are easier to track than individual-based subsidies (i.e. rental assistance or housing vouchers). Data made available through the National Housing Preservation Database for properties with active subsidies were analyzed. This data included property location and number of subsidized units.³⁹

Transportation

Many travel behavior studies have found that the time it takes to reach a destination by walking, biking, driving or taking transit greatly influences a person's choice to do so. For walking, the average person will typically only walk about 10 minutes to reach a given destination, which equates to about a half-mile. Therefore, a key step in this analysis is measuring what is accessible within ½ mile from a given station area or bus stop. This analysis identifies subsidized housing located within a 10-minute walk of bus stops and fixed guideway transit stations.

Transportation data was collected for Asheville, Charlotte, Chapel Hill, Durham, Fayetteville, Raleigh, Wilmington, and Winston-Salem. Data was not collected or analyzed for Greensboro or areas south of Asheville, served by Apple Country Transit, as it was not made available for analysis (Table 2 Transit Data and Metro Areas Analyzed). This data included transit stop location and several stop attributes, including stop infrastructure and the routes that serve each stop. Service frequency was not analyzed as a part of this paper but should be considered in future analysis. Transit data was generally collected from either the local transit service agency or the Transportation Planning Department. The data used is the most recent version available – thus, if transit stop data has not been updated to reflect new conditions (such as stops serving new developments or new transit lines/service), some data may not accurately reflect the current transit system. The table below lists the transit service for which stop data was collected and the primary service area.

³⁸ The following resource supports the efficacy of certain data for subsidized housing, particularly the National Housing Preservation Database, for communicating the importance of affordable housing to decision makers. "Using Federal Data Sources for Housing Advocacy." National Low-Income Housing Coalition, 2017. Accessed at <http://nlihc.org/sites/default/files/AG-2017/2017AG_Ch02-S08_Using-Federal-Data-Sources.pdf>

³⁹ National Housing Preservation Database. Accessed at <<http://preservationdatabase.org/>>



Table 2 Transit Data and Metro Areas Analyzed

Transit Agency	Mode	Metro area(s) served
Asheville Redefines Transit (ART)	Bus	Asheville
Charlotte Area Transit System (CATS)	Bus and Light Rail	Charlotte
Chapel Hill Transit (CHT)	Bus	Chapel Hill
GoDurham	Bus	Durham
Duke University Transit	Bus	Durham
Fayetteville Area System of Transit (FAST)	Bus	Fayetteville
GoRaleigh	Bus	Raleigh
GoCary	Bus	Raleigh
North Carolina State University (NC SU) Wolfline Transit	Bus	Raleigh
GoTriangle	Bus	Raleigh, Durham, and Chapel Hill
WAVE Transit	Bus	Wilmington
Winston-Salem Transit Authority (WSTA)	Bus	Winston-Salem

To conduct the analysis, the team used ESRI's Network Analyst, a spatial analysis tool that uses road network and transit stop data to create 10-minute "walkshed" zones for each area investigated. The table below, **Error! Reference source not found.**, highlights the percent of subsidized housing served by transit for each location. Maps for each location can be found in Appendix C and illustrate a 10-minute transit walkshed, the location of subsidized housing in relation to the walkshed, and the number of units per subsidized property.



Table 3 North Carolina Spatial Relationships Analysis

ASHEVILLE		
Public transit provided by:	Asheville Redefines Transit (ART)	
	Within transit walkshed	Outside transit walkshed
Number of subsidized properties	35	52
Number of subsidized units	4,019 (55%)	3,328 (45%)
Average number of units per property	115	64
CHARLOTTE		
Public transit provided by:	Charlotte Area Transit System (CATS)	
	Within transit walkshed	Outside transit walkshed
Number of subsidized properties	112	22
Number of subsidized units	13,271 (87%)	1,898 (13%)
Average number of units per property	119	86
DURHAM		
Public transit provided by:	GoDurham, Duke Transit, and GoTriangle	
	Within transit walkshed	Outside transit walkshed
Number of subsidized properties	86	11
Number of subsidized units	6,290 (94%)	379 (6%)
Average number of units per property	73	34
FAYETTEVILLE		
Public transit provided by:	Fayetteville Area System of Transit (FAST)	
	Within transit walkshed	Outside transit walkshed
Number of subsidized properties	45	52
Number of subsidized units	5,521 (59%)	3,874 (41%)
Average number of units per property	122	75
RALEIGH		
Public transit provided by:	GoRaleigh, GoTriangle, GoCary and NC State University (NC SU) Wolfline Transit	
	Within transit walkshed	Outside transit walkshed
Number of subsidized properties	198	90
Number of subsidized units	10,593 (71%)	4,287 (29%)
Average number of units per property	54	47



WILMINGTON		
Public transit provided by:	WAVE Transit	
	Within transit walkshed	Outside transit walkshed
Number of subsidized properties	48	1
Number of subsidized units	4,610 (99%)	60 (1%)
Average number of units per property	96	60
WINSTON SALEM		
Public transit provided by:	Winston-Salem Transit Authority (WSTA)	
	Within transit walkshed	Outside transit walkshed
Number of subsidized properties	54	33
Number of subsidized units	6,388 (69%)	3,746 (31%)
Average number of units per property	118	87

Key Findings

- The percent of subsidized units within the 10-minute transit system walkshed ranged from a low of 55% (Asheville) to a high of 99% (Wilmington).
- Charlotte provides the most subsidized housing units of any metro in the state, with 15,169 units across 134 properties; Charlotte also has the property with the most units (773).
- Chapel Hill has the fewest subsidized properties (37) and units (1,280) of the areas studied.
- The average number of subsidized units per property is greater when a property is within a 10-minute walk to transit.



RECOMMENDATIONS

The following section presents a series of options supporting more intentional and measurable results for housing affordability in transit served/supported/oriented areas (Table 4 Options for Supporting TOD and Affordable Housing in Transit Served Areas). These are recommendations that local governments, non-profit partners, the private sector and NCDOT can collaborate on to improve access to transit served affordable housing. Each option is matched with the challenges and/or opportunities to address several high-level pros and cons. An inventory of TOD-supportive and affordable housing practices, activities, programs and policies from North Carolina's major metropolitan areas, including Asheville, Charlotte, Chapel Hill, Durham, Fayetteville, Greensboro, Raleigh, Wilmington and Winston-Salem, is available in Appendix D.

Table 4 Options for Supporting TOD and Affordable Housing in Transit Served Areas

OPTION	CHALLENGE/OPPORTUNITY ADDRESSED	PROS/CONS
Coordinate with NCHFA to explore ways that the LIHTC scoring criteria can be refined to create a stronger incentive for building affordable housing in areas served by high-quality transit	<ul style="list-style-type: none">• NCHFA Qualified Allocation Plan (QAP) awards points for transit access, but only to “level the playing field” between sites with good access to amenities and sites with good transit access. Sites with transit are not scored higher than sites with amenities.• The goal of NCHFA is to distribute funding equitably throughout the state, this often results in many, cheaper developments being funded at the expense of more expensive, but more location-efficient TOD developments.	<ul style="list-style-type: none">• Establishes a state-level priority for TOD• May be difficult to change the allocation formula – many competing interests
Coordinate with local governments to develop standardized “transit access scoring criteria” for affordable	<ul style="list-style-type: none">• There are few resources and many interests competing for funding available to support affordable housing.	<ul style="list-style-type: none">• Prioritization criteria based on transit access can help to improve location-efficiency of affordable housing• Standard criteria will help maintain a high



OPTION	CHALLENGE/OPPORTUNITY ADDRESSED	PROS/CONS
housing funding programs		<p>standard across the state</p> <ul style="list-style-type: none"> • Not all municipalities have local funding available for supporting affordable housing, this would not apply to them
Develop a state TOD Guidebook or Model Practices Manual; Include comprehensive plan language, TOD master planning or TOD design guidelines	<ul style="list-style-type: none"> • Build capacity in local governments and local developers 	<ul style="list-style-type: none"> • It is often difficult to prepare a guidebook that is applicable to all communities • There is no way to mandate implementation of programs/policies • There are lots of existing models to learn from
Expand NC General Assembly's definition of "transit oriented development district"	<ul style="list-style-type: none"> • NC General Statute § 160A-536 defines the circumstances in which a city council may designate a transit-oriented development district; currently this definition only includes "rapid" transit systems 	<ul style="list-style-type: none"> • Amending the legislation may require gaining the support of several committed sponsors
Provide technical assistance and peer-to-peer learning opportunities on a variety of topics related to TOD and affordable housing	<ul style="list-style-type: none"> • Build capacity • Raise awareness • Communicate the benefits of TOD 	<ul style="list-style-type: none"> • Requires coordination and expertise across a variety of topics including affordable housing generally, land banking, revolving loan funds, joint development guidance, special assessment districts, inclusionary zoning and property tax funding.
Evaluate NCDOT owned land and/or ROW that could be	<ul style="list-style-type: none"> • Help reduce costs to developers by providing 	<ul style="list-style-type: none"> • Involves transferring agency assets



OPTION	CHALLENGE/OPPORTUNITY ADDRESSED	PROS/CONS
used for TOD or affordable housing	agency-owned land for free or at a reduced price	
Explore opportunities for employer assisted affordable housing with major North Carolina employers	<ul style="list-style-type: none"> • Helps fill the funding gap between public and private investment • Opportunity for innovative collaboration and funding partnerships 	<ul style="list-style-type: none"> • Can be supplemented with tax credits and matching funds from the state • Can be managed/administered by a non-profit
Work with MPOs, to make Federal and State transportation funding available for transit-oriented development (TOD) planning and implementation	<ul style="list-style-type: none"> • Helps fill funding gaps • Working with MPOs helps address affordable housing and transit-oriented development at a regional level 	<ul style="list-style-type: none"> • State funding sources are limited • MPOs often prioritize service improvements/upgrades over other needs
Direct multimodal transportation investment to areas already served by transit, such as through land use performance measures for state involvement in major transit investments (performance based financial partnerships)	<ul style="list-style-type: none"> • Identifies TOD as a state priority • Establishes a standardized set of metrics that can be used to evaluate the impact of transit investments on promoting TOD and affordable housing 	<ul style="list-style-type: none"> • Time lag while establishing and implementing performance measures • Resistance to new approach/process of prioritization
Extend transit services to existing affordable housing developments	<ul style="list-style-type: none"> • Require MPOs and RPOs to evaluate transit access to affordable housing as an element of the long range transportation plan 	<ul style="list-style-type: none"> • May require transit agencies to extend transit services in areas where they may not receive local match.



OPTION	CHALLENGE/OPPORTUNITY ADDRESSED	PROS/CONS
	<ul style="list-style-type: none">• Encourage transit agencies to extend services beyond municipal limits by using the State Maintenance Assistance funding formula to match funding with population actually served• Consider a statewide housing / transit partnership program that would provide funding based on the number of affordable housing units served by quality transit service	
Evaluate transit service operations to determine if it is equitably serving lower income populations	<ul style="list-style-type: none">• Low income workers may need transit more during non-traditional hours• When transit routes run more frequently at off-peak times, workers can better utilize transit to get to positions with second or third shifts	<ul style="list-style-type: none">• Higher quality transit (both additional lines and shorter headways) opens additional economic opportunities



CONCLUSIONS AND NEXT STEPS

North Carolina, like many other places across the country, is struggling to provide high quality, affordable housing to people of all ages, at all income levels. The location of affordable housing is critical to whether it will truly be “affordable.” Housing and transportation costs are the largest expenses in a typical household budget, and there is often an inverse relationship between these two components. When housing costs are low, transportation costs tend to be higher. And when housing costs are high, transportation costs are often low. For lower income households, access to important destinations by means other than a car is a way to keep transportation costs low and reduce the overall cost of living. These connections indicate that transit considerations should not be neglected when affordable housing is planned, and vice versa. NCDOT has an important role to play, as they seek to fulfill their mission of connecting people and places.

This white paper identified challenges and opportunities associated with developing affordable housing and TOD, from the national to the local level. Although examples were taken from across the country, the challenges faced by states, regions, and communities are remarkably similar. In a time when federal funding for housing programs is not adequately meeting funding needs, communities have found creative solutions to solve budget shortfalls and to better-integrate transit and land use, to support more affordable housing. And here in North Carolina, major metropolitan areas are developing new funding mechanisms, creating incentives, and planning collaboratively to support affordable housing in locations served (or that will be served) by transit.

The geography of access analysis showed that, in most metro areas, publicly supported housing and housing funded through LIHTC is typically located within 10 minutes of a transit station or stop. However, there are communities where the transit system is limited to the sponsoring city boundaries and the transit routes do not reach affordable housing. It was also revealed that federally-subsidized properties within 10 minutes of a transit stop or station tended to have greater density of housing units than subsidized properties located further from transit stops. These results are promising, as they indicate, with some exceptions, that lower-income North Carolinians living in metro areas have access to public transit service.

Options supporting more intentional and measurable results for housing affordability in transit served/supported/oriented areas were generated from research and interviews with North Carolina stakeholders. These recommendations address the challenges introduced, and focus on closing funding gaps, establishing new partnerships, and supporting policies that prioritize TOD.



This topic of affordable housing and TOD/transit supported areas may benefit from a more in-depth investigation of several topics. These topics were revealed during the research and analysis for this white paper but were beyond the scope of this project. These include:

- An investigation of transit-oriented development and affordable housing in North Carolina's rural areas;
- An analysis of transit operations and level of service near affordable housing and in transit supported areas, to determine levels of accessibility and connections to opportunities;
- A strategic assessment of state-level or state-led initiatives, to determine full feasibility and an action plan for implementation;
- The formation of a TOD/affordable housing working group to optimize opportunities identified in this white paper;
- A report on shared mobility, micro-transit, and other "next generation" transit amplifiers;
- A strategy for leveraging Opportunity Zones in the provision of affordable housing and TOD; and
- A policy paper on alternatives to current methods of transportation impact assessments, how the evaluation process might help or hinder transit-oriented development and exploring the feasibility of multimodal impact assessment.



APPENDIX A: Stakeholder Interviews

For this paper, interviews were conducted with key North Carolina stakeholders in the fields of affordable housing and transit-oriented development. A list of potential interviewees was first developed and contacted for interview. Those interviewed for this paper are listed below (Table 5 List of Interviewees). Additional research on this topic could include interviews with those stakeholders that could not be reached for an interview within the timeline of this project. A set of interview questions were developed to help guide conversations with interviewees and to allow for meaningful interpretations of responses. Below is a list of interview questions posed to interviewees, organized by topic and interviewee type (Table 6 List of Interview Questions).

Table 5 List of Interviewees

STAKEHOLDER TYPE	NAME	ROLE AND ORGANIZATION	GEOGRAPHY
Private affordable housing development	Dionne Nelson	President and CEO, Laurel Street	Charlotte area
	Gregg Warren	President, DHIC, Inc.	Triangle area
Public affordable housing development	Larry Jarvis	Director, Department of Housing and Neighborhoods	City of Raleigh
	Barbara Little	Community Development Administrator, Economic and Community Development Department	City of Fayetteville
	Nate Broman-Fulks	Affordable Housing Manager, Office of Housing and Community	Town of Chapel Hill
	Suzanne Rogers	Community Development and Housing Planner, Community Services Department	City of Wilmington
	Pam Wideman	Director, Housing and Neighborhood	City of Charlotte



		Services Department	
	Karen Lado	Assistant Director of Strategy, Community Development Department	City of Durham
Transit-oriented development/ regional entities	Aspen Romeyn	Senior Planner, Triangle J Council of Governments	Triangle region
	Michelle Nance	Planning Director, Centralina Council of Governments	Centralina region
Affordable housing finance	Patricia Amend	Director of Policy, Planning and Technology, North Carolina Housing Finance Agency (NCHFA)	State

Table 6 List of Interview Questions

INTERVIEWEE	AFFORDABLE HOUSING	TRANSIT-ORIENTED DEVELOPMENT
All	How do you define affordable housing?	How do you define transit-oriented development?
All	What are opportunities or challenges in creating affordable housing in North Carolina?	What are opportunities or challenges in creating transit-oriented development in North Carolina?
All	Is proximity to transit a key factor when considering a new affordable housing development?	Is proximity to affordable housing a key factor when considering transit-oriented development?
All	What policies, programs or projects are not being implemented at this time that should be? Why are they not being implemented?	What policies, programs or projects are not being implemented at this time that should be? Why are they not being implemented?
All	Are you aware of any financing mechanisms that	Are you aware of any financing mechanisms that



	are not currently being used that could or should be used to incentivize affordable housing?	are not currently being used that could or should be used to incentivize TOD?
Local and regional government	What do you perceive is your agency's role in supporting affordable housing?	What do you perceive is your agency's role in supporting TOD?
Local and regional government	What specific policies, programs or projects is your agency implementing to support affordable housing?	What specific policies, programs or projects is your agency implementing to support TOD?



APPENDIX B: Web Links and Resources

Allbee, Allison; et al. [Preserving, Protecting, and Expanding Affordable Housing: A Policy Toolkit for Public Health](#), Change Lab Solutions, 2015.

Barry, Keith. [No Public Transit? No Job](#), *WIRED*, August 29, 2011.

Barkley, Brett; Gomes-Pereira, Alexandre. [A Long Ride to Work: Job Access and Public Transportation in Northeast Ohio](#), *A Look Behind the Numbers* Vol. 6, issue 1, November 23, 2015, Published by the Federal Reserve Bank of Cleveland.

[Car commuters dwarf public transit riders in job access](#), *Metro*, August 28, 2017.

Collinson, Robert, et al. [Low-Income Housing Policy](#). National Bureau of Economic Research, Working Paper No. 21071, Issued in April 2015.

Corrigan, Mary Beth, et al. [Ten Principles for Successful Public/Private Partnerships](#), Urban Land Institute, 2005.

Desmuke, Audrey M. [Effects of Transit-Oriented Development on Affordable Housing, Job Accessibility, and Affordability of Transportation in The Metro Green Line Corridor of Los Angeles \(CA\)](#), A Professional Project presented to the Faculty of California Polytechnic State University, San Luis Obispo, June 2013.

Enterprise; The National Housing Trust; Reconnecting America. [Preserving Affordable Housing Near Transit Case Studies from Atlanta, Denver, Seattle and Washington, D.C.](#) 2010.

Haughey, Rick; Sherriff, Ryan. [Challenges and Policy Options for Creating and Preserving Affordable Housing near Transit and in Other Location-Efficient Areas](#), Center for Housing Policy; National Housing Conference; What Works Collaborative, December 2010.

Hickey, Robert; Sturtevant, Lisa. [Public Land & Affordable Housing in the Washington DC Region Best Practices and Recommendations](#), Center for Housing Policy and the National Housing Conference, Prepared for ULI Washington, February 2015.

Housing Trust Fund Project, Center for Community Change. [Opening Doors to Homes for All The 2016 Housing Trust Fund Survey Report](#), 2016.



- Joint Center for Housing Studies of Harvard University. [America's Rental Housing Expanding Options for Diverse and Growing Demand](#), 2015.
- Kalugina, Anastasia. [Affordable Housing Policies: An Overview](#), *Cornell Real Estate Review*, Vol. 14, Article 10, 6-2016.
- Katz, Bruce, et al. [Rethinking Local Affordable Housing Strategies: Lessons From 70 Years Of Policy And Practice](#), The Brookings Institution Center on Urban and Metropolitan Policy and The Urban Institute, December 2003.
- Kingsley, G. Thomas. [Trends in Housing Problems and Federal Housing Assistance](#), Urban Institute, October 2017.
- Kong, Bessy M.; Hsiang, Derek. [Financing Affordable Rental Housing: Defining Success Five Case Studies](#), Wilson Center, 2016.
- Larson, Addison. [Impacts of Housing Policy on Residents' Access to Jobs and Transit](#), American Association of Geographers Annual Meeting, to be presented April 11, 2018.
- Mackie, Paul. [Affordable Housing Needed in Areas with Transit Access to Jobs](#), Mobility Lab, December 7, 2012.
- National Housing Conference, [NEXUS: The NHC Policy Guide](#)
- National Low Income Housing Coalition, Federal Resources and Programs, <http://nlihc.org/issues/federal-resources>
- Nostikasari, Dian. [Access to Jobs Is About Access to Transit](#), *FutureStructure*, August 8, 2017.
- Palm, Matthew; Niemier, Deb. [Does Placing Affordable Housing Near Rail Raise Development Costs? Evidence from California's Four Largest Metropolitan Planning Organizations](#), *Housing Policy Debate*, Volume 28, 2018, Issue 2, July 2017.
- Pendall, Rolf, et al. [Driving to Opportunity: Understanding the Links among Transportation Access, Residential Outcomes, and Economic Opportunity for Housing Voucher Recipients](#), Urban Institute, March 2014.
- Pollard, Trip. [Jobs, Transportation, And Affordable Housing Connecting Home and Work](#), Southern Environmental Law Center, 2010.
- Schmitt, Angie. [Affordable Transportation and Affordable Housing Need to Go Hand-in-Hand](#), StreetsBlog USA, October 2016.



Sisson, Patrick. [Solving affordable housing: Creative solutions around the U.S.](#) *Curbed*, July 25, 2017.

Tomer, Adie. [Where the Jobs Are: Employer Access to Labor by Transit](#), Metropolitan Policy Program at Brookings, July 2012.

Treskon, Mark; McTarnaghan, Sara. [Anatomy of a Preservation Deal: Innovations in Preserving Affordable Housing from around the United States](#), Urban Institute, August 2016.

Urban Institute. Research Area, [Housing and Housing Finance: Affordable Housing](#), 2018.

U.S. Housing and Urban Development, Center for Transit-Oriented Development. [Creating Connected Communities: A Guidebook for Improving Transportation Connections for Low- and Moderate-Income Households in Small and Mid-Sized Cities](#), April 2014.

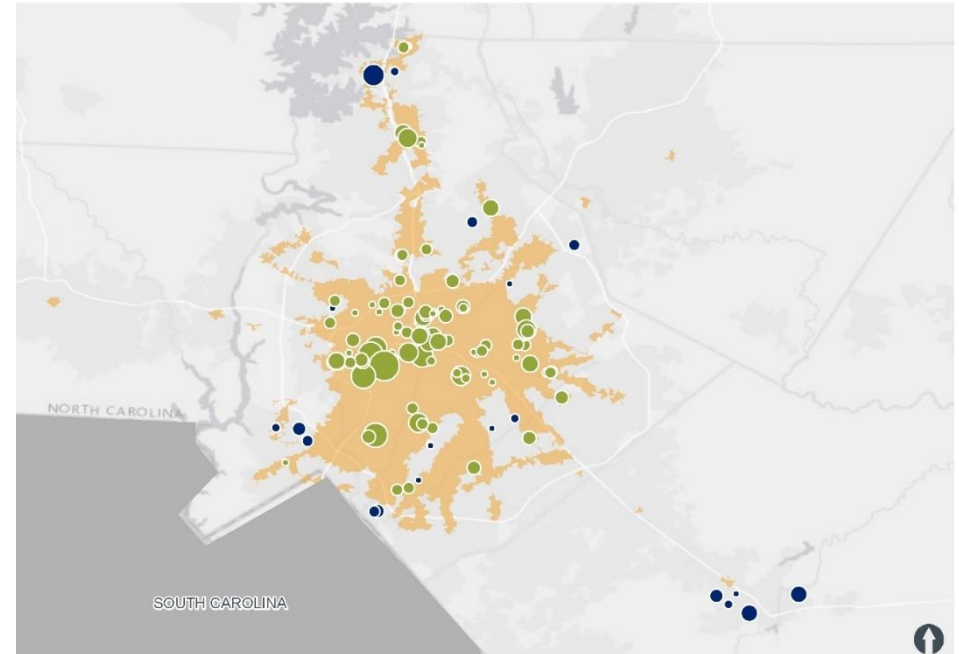
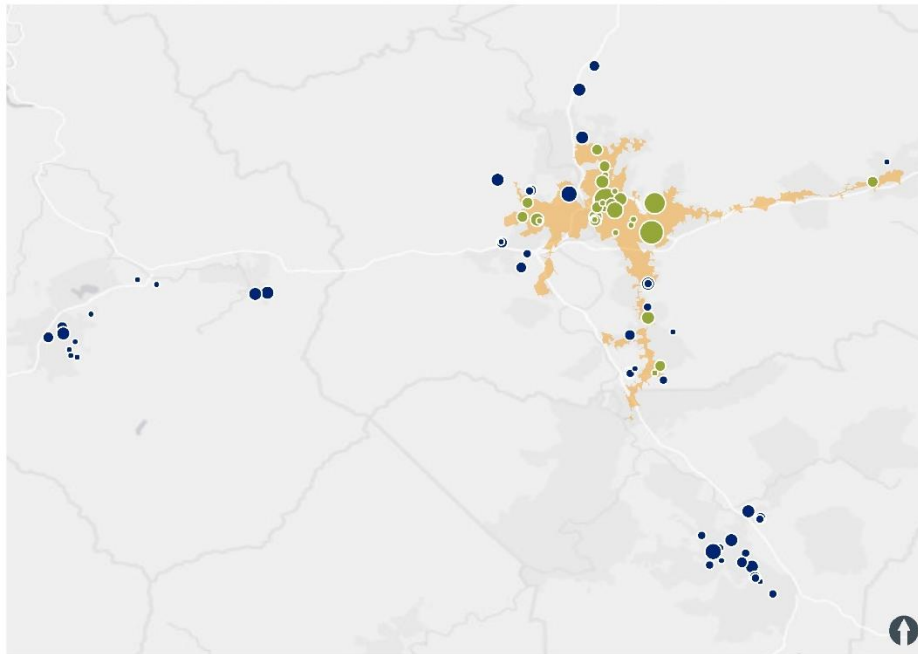
Von Hoffman, Alexander. [To Preserve Affordable Housing in the United States: A Policy History](#), Harvard Joint Center for Housing Studies, Working Paper, March 2016.



APPENDIX C: Location of Subsidized Housing and Transit

Asheville, NC Spatial Relationships Map

Charlotte, NC Spatial Relationships Map



10-minute walkshed **Transit service access** **Number of subsidized units**

  Not walk accessible  Less than 25

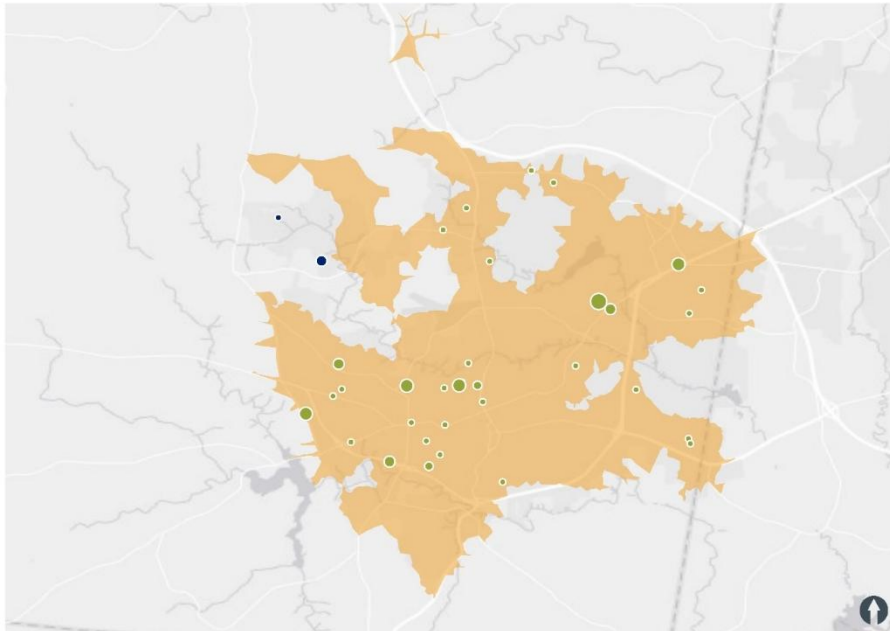
 Walk accessible  26 - 50

 51 - 100  201 - 300  401 - 500  601 - 700

 101 - 200  301 - 400  501 - 600  701 and above

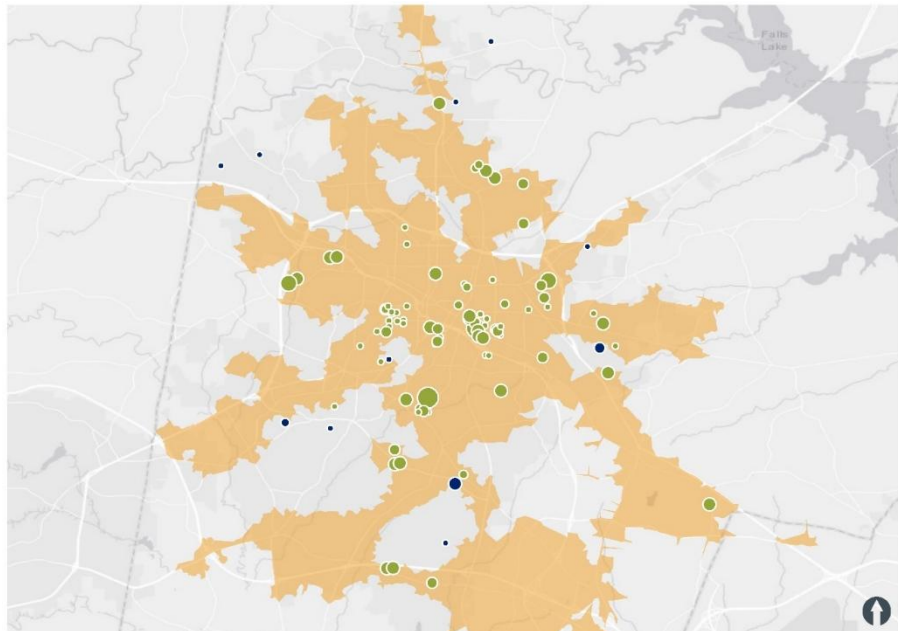


Chapel Hill, NC Spatial Relationships Map

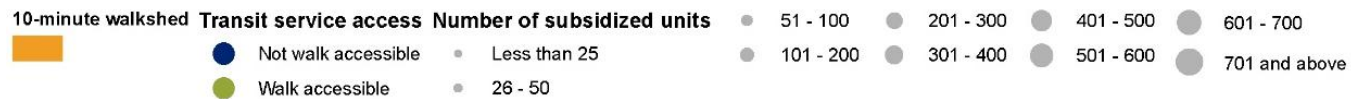


*Portion of Durham, NC Urbanized Area that is Town of Chapel Hill and surrounding area.

Durham, NC Spatial Relationships Map

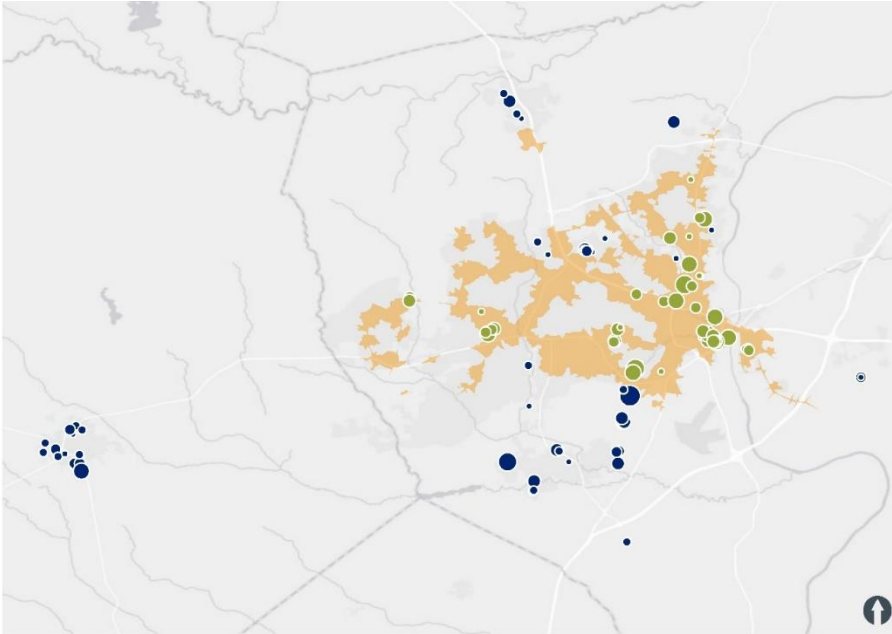


*Portion of Durham, NC Urbanized Area that is City of Durham and surrounding area.

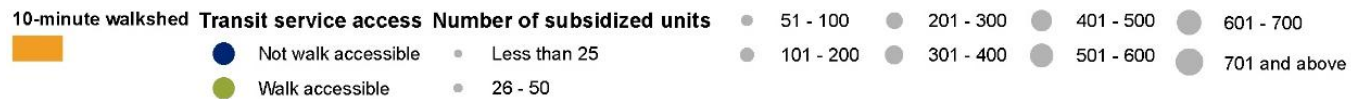
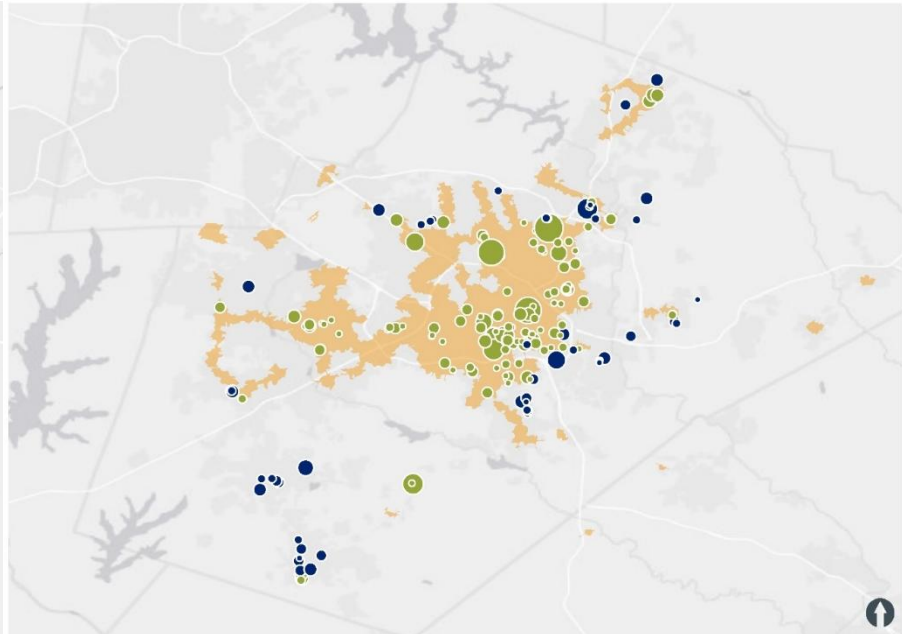




Fayetteville, NC Spatial Relationships Map

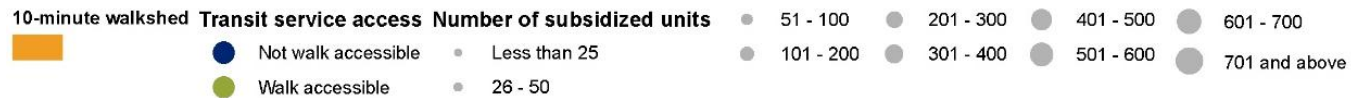
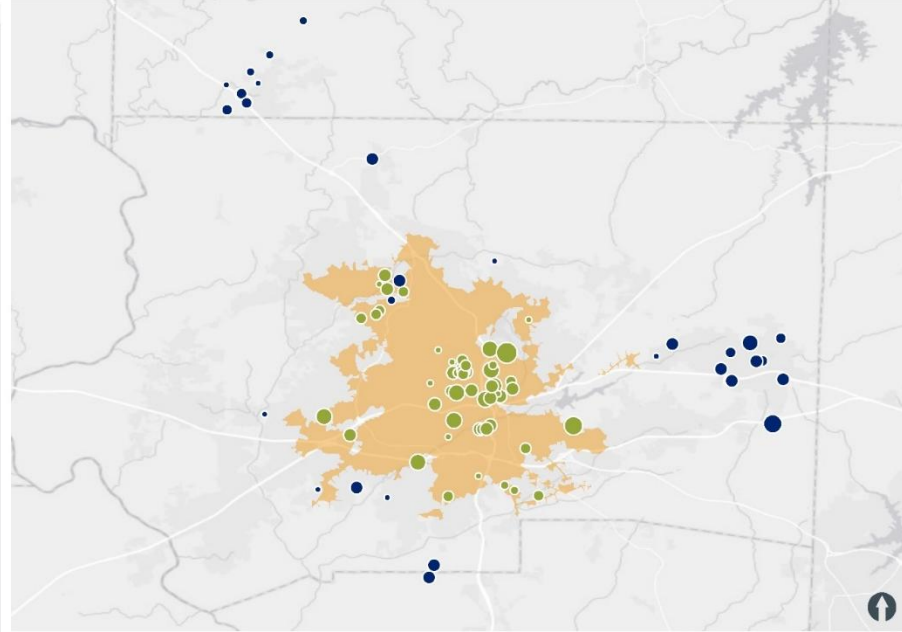
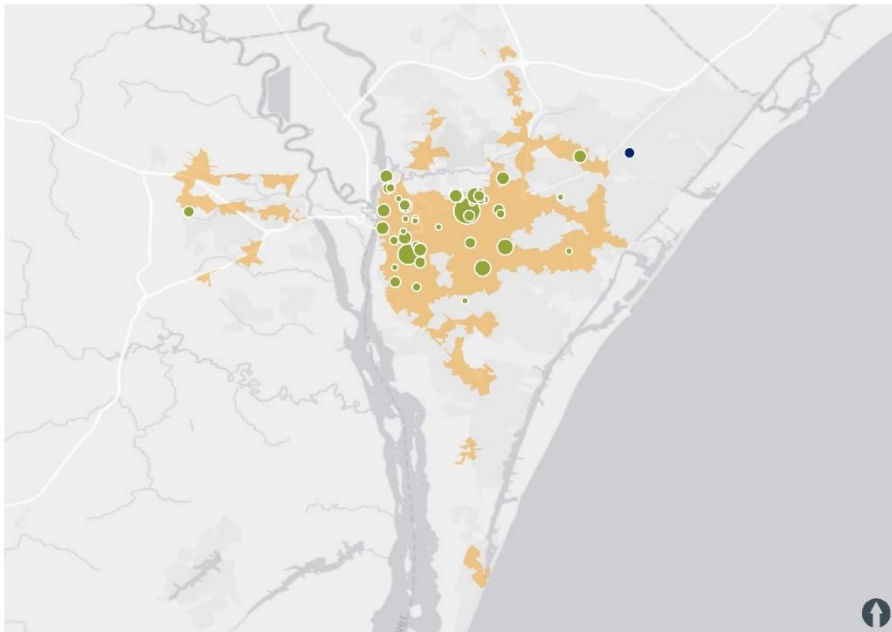


Raleigh, NC Spatial Relationships Map



Wilmington, NC Spatial Relationships Map

Winston-Salem, NC Spatial Relationships Map



APPENDIX D: Transit-Oriented Development & Affordable Housing Policies



Table 7 Transit Oriented Development Policies & Programs

TOOL	DESCRIPTION	TYPE
Asheville		
Complete Streets Policy	Directs city planners and engineers to routinely design, maintain, and operate streets to enable safe access for all users, regardless of age, ability, or mode of transportation, seeking to make the street network better and safer for pedestrians, bicyclists, transit users and motor vehicle drivers and passengers.	Policy & Planning
Chapel Hill		
Transit Supportive Development (TSD) Sites and TSD Design Guidelines	20 TSD sites on potential transit corridors identified in 2009 Long Range Transit Plan. Supplement existing Town Design Guidelines; establish basic principles that include pedestrian oriented design, building design, site layout, connectivity, density, and transportation amenities.	Policy & Planning
Complete Streets Policy	Promotes healthy and active neighborhoods, which entails providing adequate access to pedestrians, bicyclists, transit riders, and motorists of differing abilities on roadways throughout the community.	Policy & Planning
Mixed-Use Village (MU-V) zoning	Encourages the construction of transit-supportive intensities within one half mile of major transit hubs. Within this zone as well as the TOD District category, the Town permits a 50% reduction in parking requirements while requiring developers to incorporate transit-stop amenities.	Zoning
Transit Oriented Development District (Core and Perimeter)	Encourages a mixture of residential, commercial, and employment opportunities within identified light rail station or other high capacity transit areas; allows for a more intense and efficient use of land at increased densities for the mutual reinforcement of public investments and private development. TOD districts are restricted to areas within one-half of a mile of a transit station, which area is equivalent to a typical 10-minute walking distance.	Zoning
Durham		



TOOL	DESCRIPTION	TYPE
Residential Compact Tier	Created in the 2005 Comprehensive Plan (amended 2014) for zoning around transit stations to promote “high density and intensity infill, redevelopment, and new development that integrates a mix of uses through an urban fabric.” TOD is also an explicit objective of the comprehensive plan.	Policy & Planning Zoning
Suburban Transit Area Overlay Tier	Designated for later phases of the Durham Orange Light Rail system and stations.	Zoning
Residential Compact Zoning District	Promote well- integrated new residential and civic development close to designated and future regional transit stations; new development in this district requires both pedestrian orientation and human scale in architecture at the street level.	Zoning
Raleigh		
TOD Areas	Unified Development Ordinance (UDO) defines TOD areas near proposed future transit; promotes high-density, mixed-used redevelopment and new development.	Policy & Planning Zoning
City-sponsored TOD	The city is in the process of redeveloping several sites along transit lines for mixed-use and mixed- income housing.	Funding
TOD Design Guidelines	Raleigh approved TOD design guidelines in 2004.	Policy & Planning
Complete Streets Policy	City recognizes that all streets are different and that the needs of various users must be balanced; in developing a Complete Streets network, transportation improvements may include a wide variety of facilities and amenities, as appropriate, to meet the needs of all users, including bicyclists, pedestrians, transit users, motorists, freight providers, and municipal and emergency service providers— and ensure that all users experience a functional and visually attractive environment.	Policy & Planning
Charlotte		
Centers, Corridors, Wedges Vision Plan	Created in 1994, Charlotte's regional vision provided the development framework that called for focusing future growth in centers and along five corridors. Central to this strategy	Policy & Planning



TOOL	DESCRIPTION	TYPE
	are proactive and aggressive investment of accompanying transportation and transit infrastructure that supports the targeted growth areas.	
Transit Oriented Development Districts (under revision 3/18)	Includes dimensional standards that are more form-based than would be found in other districts and height bonuses for priorities including affordable housing, transportation improvements, and numerous additional incentives; district design standards facilitate a high-activity, pedestrian and transit friendly environment.	Zoning
Transit Supportive Overlay District	Introduces transit supportive and pedestrian oriented development regulations and uses and encourages properties to transition to more transit supportive development and uses up to one-half (1/2) mile walking distance from a transit station.	Zoning
Transit Station Area Plans	Transit Station Areas are located within approximately ½ mile walking distance of an existing or planned rapid transit station; typically exclude existing low-density neighborhoods; have similar characteristics to mixed use activity centers and will become focal points of community activity.	Policy & Planning
Joint Development Principles	Together with the Metropolitan Transit Commission (MTC), the city of Charlotte and towns of Cornelius, Davidson, Huntersville, and Matthews adopted a set of Transit Station Area Joint Development Principles in 2003. These address co-location of public facilities around stations, emphasize the necessity of public infrastructure to serve TOD, support development of affordable housing and public/private partnerships, provide private sector incentives for TOD, and encourage location and retention of a mix of transit-supportive businesses.	Policy & Planning
South Corridor Infrastructure Plan (SCIP)	City set aside \$25 million investments in streets, sidewalks, and intersection improvements to support the South Corridor LRT, before and during its construction. This targeted	Funding



TOOL	DESCRIPTION	TYPE
	investment aimed at "building community," enabled the corridor to be transit-ready, and optimized the TOD potential around each transit station.	
Smart Growth Funds	Charlotte set aside \$5 million to purchase property around proposed Blue Line stations and prepare the properties for development. Some funding came from the city's Housing Trust Fund, requiring those developments to meet a minimum affordable housing threshold.	Funding
Urban Street Design Guidelines	City developed and adopted a set of planning and design standards that call for "complete" streets - streets that provide mobility for motorists while also providing safe and comfortable pedestrian and bicycle travel. Charlotte is using street design to shape its development patterns and provide residents and visitors with viable choices for how they move about the city.	Policy & Planning
Institutionalized Interdepartmental Coordination	Charlotte has a strong tradition of interdepartmental and interdisciplinary coordination, from the City Council to the staff level. Partnership and coordination is a result of the organizational structure of the city as well as strong policies that encourage this to occur. Programs and resources of the various departments are more easily and closely aligned toward the same "community building" goals. City also uses performance measures to assess progress towards goals.	Policy & Planning
Fayetteville		
Corridor Studies	While the City of Fayetteville does not offer specific TOD-supportive policies, multiple corridor studies have been conducted that emphasize transit-oriented development as a part of a recommended redevelopment strategy. In an initial review, both Raeford Road Corridor Study and Bragg Boulevard Corridor Plan includes recommendations to direct development towards pedestrian-friendly, transit-oriented corridors.	Policy & Planning



TOOL	DESCRIPTION	TYPE
Greensboro		
Traditional Neighborhood District (TN1)	Encourages a desirable mix of residential, commercial, and civic uses built near each other along a network of interconnecting streets and blocks. TN1 Districts are designed to be walkable, pedestrian-and-transit-oriented communities which must include a variety of building types in accordance with an approved Traditional Neighborhood Development Plan.	Zoning
Activity Center Overlay (ACO)	Intended to include features such as a mix of higher intensity uses (residential, retail, office, etc.), compact development patterns, urban open spaces, pedestrian and transit linkages. An ACO must be served by a network of alternative transportation options, including walking routes, bike lanes, and rail (if available).	Zoning
Complete Streets Policy	Greensboro Urban Area Metropolitan Planning Organization established a complete streets policy. Benefits include increased non-motorized trips, increased transit usage, supporting desirable land use patterns including pedestrian and transit-oriented development, improvements to public health, and reduction in harmful air pollutant emissions.	Planning & Policy
Winston Salem		
Legacy 2030 Comprehensive Plan Land Use Objective 2	Create incentives and tools to encourage mixed-use development at appropriate locations, including Downtown, activity centers, mixed-use opportunity areas and proposed future transit stops.	Policy & Planning
Legacy 2030 Comprehensive Plan Land Use Action 4.2.1	Transit/Pedestrian-Oriented Development Locations: Continue to focus on the location and design of transit/pedestrian-oriented development through the area plan process.	Policy & Planning
Legacy 2030 Comprehensive Plan Land Use Action 4.2.2	Mixed-Use Incentives: Create incentives for including mixed-use development in transit/ pedestrian-oriented development	Policy & Planning



TOOL	DESCRIPTION	TYPE
	and activity centers such as density bonuses or expedited review processes.	
South Suburban Area Plan Update	Develop Activity Centers along growth corridors as transit-oriented, high-density, mixed-use nodes. Buildings in Activity Centers should be placed close to the street with parking located to the side or rear of the buildings and provide pedestrian and vehicular access connections between uses.	Policy & Planning
Wilmington		
Create Wilmington Comprehensive Plan, Land Use and Transportation	1.3.5 Transportation facilities, services, and investments should be targeted to promote and accommodate anticipated population growth in mixed-use centers, commercial corridors, and neighborhoods.	Policy & Planning
Create Wilmington Comprehensive Plan, Land Use and Transportation	1.3.6 Transit-oriented and transit-ready development should be promoted around existing and planned transit stations and stops.	Policy & Planning
Create Wilmington Comprehensive Plan, Land Use and Transportation	1.3.7 Sites within proximity to planned or proposed major transit lines should be developed with a relatively high residential density and a mix of uses to take full advantage of and support the city's and the region's investment in transit services.	Policy & Planning
Create Wilmington Comprehensive Plan, Land Use and Transportation	1.3.8 Pedestrian-friendly and transit-supportive development patterns should be promoted along multimodal corridors and areas identified for intensive transit investments.	Policy & Planning
Create Wilmington Comprehensive Plan, Public Transportation	2.5.4 Where opportunities exist, right-of-way for future transit should be preserved. New development and redevelopment should provide transit easements for planned alignments, rail stations, and bus stops within existing and planned transit corridors as appropriate.	Policy & Planning

Table 8 Affordable Housing Policies & Programs



TOOL	DESCRIPTION	TYPE
Asheville		
Housing Trust Fund	Created in 2000 to provide a source of local funding to assist in the development of affordable housing in Asheville. Assistance is available in the form of repayable loans at a low rate of interest. Applications are invited from experienced for-profit or non-profit developers who plan to construct new affordable housing for sale or rental, rehabilitate existing multi-family housing, or convert property to affordable housing from another use.	Financial (Local)
Land Use Incentive Grant (LUIG)	Provides incentive grants (or appropriations) to encourage the development of affordable and workforce housing for persons of low and moderate income to increase population, taxable property and business prospects. Eligible projects provide affordable and workforce housing, are located close to public transit, and which have verifiable green building/energy efficiency elements.	Financial (Local)
Affordable housing fee rebates	Developers of affordable housing qualify for a 50 percent rebate on City permit fees (as well as MSD permit fees). Single-Family housing for-sale must be affordable to households earning <80 percent of AMI, determined by the cost of the house to the buyer. Owner-built homes do not qualify. Rental housing must also be affordable to households earning <80 percent of AMI, and must also be assisted by other City, State or federal financing programs.	Financial (Local)
Home Investments Partnerships Program (HOME)	Federal entitlement area grant program through HUD providing grant funds on a reimbursable basis to provide affordable housing to low-income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing, tenant – based assistance, and leverage private-sector participation.	Financial (Federal)



Community Development Block Grant (CDBG)	Federal grant program through HUD providing grant funds for a variety of projects and programs that serve Low and Moderate-income residents or eliminate slum and blight.	Financial (Federal, managed by state)
Affordable Housing Bond	\$25 million for housing affordability provides additional support for the Housing Trust Fund and other programs that assist in creating affordable units.	Financial (Local)
Accessory Dwelling Units (ADU)	Allowed.	Regulatory
"Inclusionary Zoning" Ordinance	Voluntary.	Regulatory
Small Lot Ordinance	Asheville City Council approved zoning changes to the city code that promote small-scale residential infill development.	Regulatory
Chapel Hill		
Affordable Housing Strategy	Adopted 2011; to build a more comprehensive understanding of the affordable housing system in Chapel Hill that would allow the Town Council to consider affordable housing issues in the context of the full spectrum of affordable housing needs and resources that exist throughout the Town.	Planning & Process
Affordable Rental Housing Strategy	Adopted 2014; to increase the quantity and quality of rental housing affordable to all who want to live in Chapel Hill by promoting the development of new units and preserving existing units.	Planning & Process
Inclusionary Zoning	In 2010, Chapel Hill enacted an Inclusionary Zoning Ordinance that mandates a set-aside percentage for affordable housing for new residential developments. Projects proposing five or more units will provide 15 percent (10 percent in the Town Center) of the units at prices that are affordable to low- to moderate-income households. Does not apply to rental units. Alternatives to set-asides include (and only with permission of the Town Council) land dedication, dedication of existing units, offsite construction, or payment-in-lieu of housing.	Regulatory



Neighborhood Conservation District (NCD) Zoning Overlays	A set of land use regulations that is applied to a specific neighborhood as a zoning overlay; used to protect distinctive neighborhood characteristics and is useful in areas that contribute significantly to the overall character and identity of the Town, but may lack sufficient historical, architectural or cultural significance to be designated as a Historic District; prevents gentrification.	Regulatory
Temporary Development Moratorium	To address incompatible development that is not consistent with the intent of the Neighborhood Conservation Districts, specifically, but not limited to, the conversion of modest single-family homes into large rental properties that are targeted for student occupancy and the replacement of single family homes with large structures which are not compatible with the character of the neighborhoods.	Regulatory
Durham		
Affordable Housing Strategy	Durham Housing Authority, which owns over 30 percent of the existing income-restricted affordable housing in Durham, is in the process of refinancing its portfolio through the federal Rental Assistance Demonstration (RAD) program, opening opportunities to consider larger-scale, mixed-income redevelopments on housing authority sites. A number of these sites are strategically located near downtown or along the proposed light rail corridor.	Policy & Planning
Dedicated Housing Fund	City dedicates two pennies of property taxes—which adds up to about \$5.4 million per year—to housing.	Financial (Local)
Affordable Housing Strategy	City and other public agencies own several significant parcels of land, particularly in the downtown areas (especially east of Roxboro) creating the possibility of launching a large-scale redevelopment effort in the downtown area that could include a range of housing options, along with office and retail.	Policy & Planning
Density bonus	Developers can build one market-rate unit over density limits for every affordable unit they build.	Regulatory



Accessory Dwelling Units (ADU)	Allowed.	Regulatory
Compact Neighborhood Tier Affordable Housing Bonuses	Just passed in February 2018; housing sites must be located in a designated Compact Neighborhood Tier and multifamily housing must be a permitted use; multifamily housing developments where 15 percent of the total units qualify as affordable to households earning at or below 60 percent AMI are eligible for density and height bonuses. Developments that incorporate affordable housing can build up to 75 units per acre and up to 90 feet. Height may be limited to 50 feet if the development is near single-family neighborhoods.	Regulatory
Proposed Affordable Housing Trust Fund	Durham is working to set up an affordable housing trust fund. Durham's will be unique in that it will rely on private contributions, rather than primarily on governmental resources. Provides a more flexible addition to the city's existing Dedicated Housing Fund, a repository for the proceeds of portion of the property tax rate earmarked for housing and doled out through the annual budget.	Financial (Local)
Raleigh		
Dedicated Housing Fund	City dedicates one cent of property tax revenue to affordable housing and land acquisition assistance. Some of this funding is used to provide funding for 4 percent LIHTC projects that the city solicits.	Financial (Local)
Tax-Credit Equity Bonds	Sell tax-credit equity bonds to the National Affordable Housing Trust. In exchange for buying the bonds, the trust can get a tax break at a certain percentage of the investment's value.	Financial (Local/Federal)
Attractive financing	Opportunities for non-profit and for-profit developers to receive financing at below-market rates to provide affordable rental or ownership housing for low-and moderate-income residents.	Financial (Local)
City owned land	Purchasing and preparing parcels of land, for infill redevelopment including affordable housing.	Financial (Local)



First Time Homeownership/Second Mortgage Loans/Education	Eligible first time moderate-income families may purchase a house in Raleigh with a low- interest loan for up to \$20,000 for down payment and closing cost assistance. The interest rate is 0 percent for the first five years, then 4 percent for the remaining 25 years.	Financial (Local)
Housing Rehabilitation Loans	Assistance available to low- and moderate-income persons needing to make repairs to their home.	Financial (Local)
Affordable Rental Opportunities	Portfolio of up to 200 housing units available at affordable rents for families at or below 50 percent of AMI.	Financial (Local)
Appreciation Sharing	For the first 10 years, a buyer of an affordable home ownership product has to share any appreciation in resale with the city. This discourages “property flipping”.	Policy & Planning
Affordable Housing Location Policy	LIHTC projects not supported in census tracts that already have high concentrations of minorities, poverty, and/or subsidized housing. The exception is consideration of proximity to future or existing transit.	Policy & Planning
Charlotte		
Housing Trust Fund	Funded from voter-approved housing bonds and administered by Housing & Neighborhood Services' Housing Services division. Charlotte City Council established the HTF in 2001 to provide financing for affordable housing. Since that time, the HTF has financed 5,542 new and rehabilitated affordable housing units. Of that total, 2,853 were for people earning less than 30 percent of the area median income, or under \$20,160 per year.	Financial (Local)
HouseCharlotte Down Payment Assistance	The HouseCharlotte program provides 5, 10, or 15-year, deferred, forgivable loans to qualified applicants. Funds can be used to cover down payment, closing costs, and interest rate buy down; HouseCharlotte down-payment assistance (DAP) can be combined with other DAPs such as North Carolina Housing Finance Agency (NCHFA) -CPLP (Community Partners Loan Pool).	Financial (Local)



Tenant-based Rental Assistance	HOME Investment Partnerships Program (HOME) permits Participating Jurisdictions (PJs) to create flexible programs that aid individual households to help them afford the housing costs of market-rate units. These programs are known as "tenant-based rental assistance," or TBRA. They help individual households, rather than subsidizing rental projects. TBRA assistance moves with the tenant. The level of TBRA subsidy varies—the level of subsidy is based upon the income of the household, the particular unit the household selects, and the PJ's rent standard.	Financial (Federal)
Voluntary Mixed Income Housing Development Program	Density bonus; created in 2013 because of a Council approved action plan directing staff to pursue regulatory and financial incentives that would encourage housing diversity through private sector development of affordable housing units. This program seeks to encourage mixed-income housing developments in targeted locations through a voluntary, incentive-based density bonus within the R-3, R-4, R-5, and R-6 single family zoning districts and the R-8MF and R-12MF multi-family zoning districts. Mixed Income Housing Development is defined as a planned, single development that has a percentage of the dwelling units targeted to income levels at or below 80 percent of AMI and developed according to an approved preliminary site plan.	Regulatory
Housing Locational Policy Acquisition Program	Supports the development of affordable multi-family units in permissible areas, as defined by the City's revised affordable housing location policy.	Planning & Process
Tax Credit Set Aside Program	Provides funds to developers receiving a North Carolina Low-Income Tax Credit Award (LIHTC) from the NCHFA for construction of new or rehabilitated multi-family housing developments serving households earning at or below 60 percent AMI.	Financial (Local)
Incentive-Based Inclusionary Housing Program	Encourages the development of affordable housing by the private sector.	Regulatory



Single-Family Foreclosure/Blighted Acquisition and Rehabilitation Program	Assists non-profit developers or homeowners to acquire/rehabilitate and re-use foreclosed and blighted single-family properties to expand the supply of affordable housing in neighborhoods throughout the City.	Financial (Local)
Multi-Family Rehabilitation and Acquisition Program	Provides funds to acquire and renovate housing units in certain areas of town suffering from high vacancy rates and in financial distress and make them available for the provision of affordable housing.	Financial (Local)
Fayetteville		
Acquisition and Demolition Program	Designed to acquire, demolish and remove property that is abandoned, unsafe, seriously damaged or deteriorated beyond reasonable financial cost to effectively rehabilitate, so that the property may be used for future affordable housing development.	Financial (Local)
Owner Occupant Housing Rehabilitation Program and Investor Owner Housing Rehabilitation Program	Objective of both programs is to improve the housing conditions for low to moderate income families; increase the supply of decent, safe and sanitary housing; and encourage revitalization of deteriorating neighborhoods. Funded through federal entitlement CDBG and HOME funding.	Financial (Federal)
Emergency Home Repair Program	Provides financial assistance up to \$5,000 for emergency housing repairs to low or moderate income home owners that occupy their homes as their principal place of residence.	Financial (Local)
Mobile Home Urgent Repair Program	Financial assistance for urgent home repairs to persons who are low to moderate income mobile homeowners that own and occupy their mobile home as their principal place of residence	Financial (Local)
Essential Single-Family Rehabilitation Loan Pool - Disaster Recovery	Offers an unsecured deferred, interest-free loan up to \$29,999 for essential program repairs. The home must be located within the city limits of Fayetteville and be owner occupied. All applicants must be income eligible and must not exceed 100 percent AMI for the City of Fayetteville	Financial (State)
Target Area Revitalization Program	Improves the neighborhood environment and quality of life for residents within identified areas by removing blight through	Financial (Local)



	demolitions and providing exterior rehabilitation of existing residential structures.	
Greensboro		
Acquisition, Construction, Rehabilitation, and Rental/Homebuyer Assistance	To increase affordability, over the past five years, the City has provided acquisition, construction, rehabilitation, and rental/homebuyer assistance for 1,160 rental units and 1,108 owner units for low and moderate-income households.	Financial (Local)
Homeownership, Housing Rehabilitation, and Public Services	In conformance with the Consolidated Plan, Greensboro's Community Development Block Grant, Emergency Solutions Grant, local Nussbaum Housing Partnership funds and HOME Consortium member funds were directed toward homeownership, housing rehabilitation, and public services that served the needs of primarily low-to-moderate income households within designated geographic boundaries in the city and member jurisdictions.	Financial (Local)
Greensboro Affordable Home Loan Initiative	Program that provides home-buyer counseling, education, and financial assistance to low and moderate income first-time Greensboro home-buyers. Goal is to serve approximately 40 households annually with home purchase support. Funding for the program is provided by the City and US Department of Housing and Urban Development.	Financial (Local)
Nussbaum Housing Partnership Fund	For the last several years, the City has dedicated approximately one cent of the property tax rate (the Nussbaum Housing Partnership Fund) to ensure that Greensboro has a reliable source of funding for its housing programs.	Financial (Local)
Winston Salem		
	Winston Salem is currently in the process of developing strategies and recommendations for affordable housing, with consideration of transit location. Recommendations were set to be delivered March 2018.	Policy & Planning
Wilmington		



Committee on Workforce/Affordable Housing	Formed in 2016 as a partnership between the City of Wilmington and New Hanover County; a joint ad-hoc committee to conduct a comprehensive examination of workforce/affordable housing efforts, along with the demand for and supply of such housing and recommend the 'best practices' that would be most appropriate to improve and increase the stock of available workplace housing.	Policy & Planning
Joint City of Wilmington/New Hanover County Workforce and Affordable Housing Ad Hoc Committee	Spring 2017; existing conditions and recommendations report for affordable housing.	Policy & Planning
Create Wilmington Comprehensive Plan, Housing	3.1.6 "Location-efficient housing" should be promoted, encouraged, and preserved where already existing to help supply Wilmington with diverse housing options that are accessible to individuals and families of all incomes, needs, and preferences.	Policy & Planning
Create Wilmington Comprehensive Plan, Housing	3.2.4 The construction of accessory dwelling units such as garage apartments, "granny flats," "mother-in-law suites," should be allowed to provide housing options in areas with existing infrastructure and access to goods and services.	Policy & Planning
Create Wilmington Comprehensive Plan, Housing	3.2.5 Acquisition and assembly of vacant and substandard residential lots for new affordable, workforce, and/ or mixed-income housing should be considered as part of the capital improvements program and as part of the city's community development and housing process.	Policy & Planning
Create Wilmington Comprehensive Plan, Housing	3.2.6 The location of affordable housing in areas with access to transit services including current and future transit stations should be incentivized, including, but not limited to, zoning and development incentives.	Policy & Planning
Rental Rehabilitation Incentive Loan Program	City of Wilmington offers a \$100,000 maximum loan at zero percent interest to finance the creation of affordable rental housing in existing residential homes in need of rehabilitation, or for new construction on in-fill lots.	Financial (Local)